

Cabinet Agenda



To: Mayor Jason Perry (Chair)

Councillors Jeet Bains, Jason Cummings, Maria Gatland, Lynne Hale,
Yvette Hopley, Ola Kolade, Scott Roche and Andy Stranack

A meeting of the **Cabinet** which you are hereby invited to attend, will be held
**Wednesday, 14 February 2024 at 6.30 pm. 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

Democratic Services
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AGENDA

1. **Apologies for Absence**

2. **Minutes of the previous meeting (TO FOLLOW AS SUPPLEMENT)**

To approve the minutes of the meeting held on 31st January 2024 as an accurate record.

3. **Disclosure of Interests**

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

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

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

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

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

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

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

5. **Mayor's Business Plan 2022-2026 Performance Report** (Pages 5 - 80)
6. **Brick by Brick Closure Report** (Pages 81 - 94)
7. **Budget 2024-25 and Medium Term Financial Strategy 2024-28** (Pages 95 - 244)
8. **2023-24 Period 8 Financial Performance Report** (Pages 245 - 282)
9. **Repairs Contracts Update** (Pages 283 - 298)
10. **HRA Rent Setting 2024-25** (Pages 299 - 332)
11. **HRA Business Plan and Budget Update 2024-25** (Pages 333 - 388)
12. **The Future of the Experimental Healthy Neighbourhoods** (Pages 389 - 438)
13. **Capital Programme and Capital Strategy 2023-29** (Pages 439 - 492)
14. **Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2024/25** (Pages 493 - 536)
15. **Review of Council Tax Care Leavers Relief Scheme** (Pages 537 - 656)
16. **Croydon Companies Supervision and Monitoring Panel - Update Report** (Pages 657 - 666)
17. **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 AGENDA

18. **Brick by Brick Closure Report - PART B - Appendix 1** (Pages 667 - 668)

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LONDON BOROUGH OF CROYDON

REPORT:	CABINET 14 February 2024
DATE OF DECISION	14 February 2024
REPORT TITLE:	Mayor's Business Plan 2022-2026 Performance Report
CORPORATE DIRECTOR / DIRECTOR:	Elaine Jackson, Assistant Chief Executive David Courcoux, Director of Policy, Programmes and Performance
LEAD OFFICER:	Caroline Bruce, Head of Programmes & Performance
LEAD MEMBER:	Mayor Jason Perry, Executive Mayor of Croydon
KEY DECISION?	No
CONTAINS EXEMPT INFORMATION?	No
WARDS AFFECTED:	ALL

1 SUMMARY OF REPORT

- 1.1 This report presents performance against the five outcomes (listed below), within the Mayor's Business Plan 2022-26 which was approved at Cabinet in November 2022 and Full Council in December 2022.
1. The council balances its books, listens to residents and delivers good sustainable services.
 2. Croydon is a place of opportunity for business, earning and learning.
 3. Children and young people in Croydon have the chance to thrive, learn and fulfil their potential.
 4. Croydon is a cleaner, safer and healthier place, a borough we're proud to call home.
 5. People can lead healthier and independent lives for longer.
- 1.2 The Executive Mayor's Business plan is the Council's core strategic document setting out its objectives and priorities for the next four years. It reflects the Executive Mayor's manifesto pledges and priorities, as set out in a report to Cabinet in June 2022.
- 1.3 The Appendices of this report will monitor delivery of the Executive Mayor's Business Plan 2022-26. Given the Plan includes borough wide objectives, the performance indicators include both Council and Partnerships measures. Council measures are those which the Council is the lead in terms of delivery. Partnership measures monitor work with our partners, such as the Police and NHS who are the lead, but where the

council has an important role to play in promoting partnership working.

- 1.4 At its meeting on 26 September 2023, the Scrutiny & Overview Committee reviewed the proposed key performance indicators (KPI's) to be used to monitor the delivery of the Mayor's Business Plan. The Committee was supportive of the initial set of KPI's, and noted their clarity and measurability. The Committee welcomed confirmation that the KPI's would continue to be reviewed and refined in the months and years to come to ensure that successful delivery of the Mayor's Business Plan can be accurately assessed.
- 1.5 This report includes additional measures requested by the Executive Mayor by the Scrutiny & Overview Committee at their meeting of the 26 September 2023. See point 6.3 of this report for a detailed list.
- 1.6 The performance report in Appendix A, gives an overview of performance across each of the five outcomes within the plan. Appendix B, provides detailed performance data on the Council's progress in delivering the outcomes within the Mayor's Business Plan as at 30 November 2023.

2 RECOMMENDATIONS

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

- 2.1 Note the Mayors Business Plan performance report (Appendix A and B) with latest data available on 30 November 2023 (unless otherwise stated) regarding overall council and partnership performance, and actions being taken to improve outputs.

3 REASONS FOR RECOMMENDATIONS

- 3.1 It is essential that the Council takes steps to ensure that a robust performance management plan and framework are in place, alongside the work of the Programme Management Office, Finance and Risk. Delivery of the objectives within the Executive Mayor's Business Plan are unlikely to happen without it.

4 BACKGROUND AND DETAILS

- 4.1 The Executive Mayor's Business Plan was approved at Cabinet in November 2022 and Full Council in December 2022. Corporate Performance Reports will reflect progress against the Executive Mayor's Business Plan 2022-26 on both a Council and Partnership level as this is a plan for Croydon the borough.
- 4.2 It is important to note that accountability of performance to deliver the outputs remains with the relevant Directorate(s).

5 EXECUTIVE MAYOR'S BUSINESS PLAN 2022-2026

- 5.1 The Executive Mayor's Business Plan sets out the Executive Mayor's vision for Croydon. This Plan consists of five outcomes to be achieved by the Council over the next four years, with priority aims to deliver those outcomes, along with the high-level actions required. The full Business Plan can be viewed using this link <https://www.croydon.gov.uk/mayors-business-plan-2022-2026>

5.2 The financial challenges detailed in Section 114 reports and the two Reports in the Public Interest in recent years have reduced the resources available to the Council, which means that it will be forced to do less in future. The Executive Mayor's mission is to transform the Council's way of working, instilling financial discipline, making services more efficient, balancing the budget, changing how services are run, securing maximum value for money, instilling strong governance, listening to residents' concerns and restoring pride in Croydon. The Council will work closely with partners from the business, statutory, and voluntary sectors to bring more resources to the borough and to support and empower local communities so that together we can transform the Council and deliver services for the borough.

6 Corporate Performance Report (Appendix A & B)

6.1 This report reviews performance of the actions currently aligned to delivery of the five outcomes detailed within the Executive Mayor's Business Plan. This, and historical performance reports monitoring the progress against the Croydon Renewal Plan, and Corporate Priorities, presented to Cabinet can be viewed at <https://www.croydon.gov.uk/council-and-elections/freedom-information-and-corporate-performance/corporate-performance>

6.2 **Key Performance Indicators (KPI's)** - Regular review and monitoring against the agreed performance measures and the impact performance will have against finance, risk and programme deliverables.

6.3 There were originally 77 KPIs within the framework. This report includes additional measures requested by the Executive Mayor and endorsed by Scrutiny at their meeting of the 26 September 2023, bringing the number of KPIs to 87, 84 of which are active and three are under development. The table below sets out the KPIs added to the framework since the October 2023 report.

Council or Partnership	Reference	Key Performance Indicator	Frequency	Status
Council	M10a	Average contact centre call wait time (Housing call centre only).	Monthly	Active
Council	M13a	% of residents that ended their call before being answered (Housing call centre only).	Monthly	Active
Council	M83	% of Housing responsive repairs completed within target.	Monthly	Active
Council	M84	Average housing void relet time taken (days).	Monthly	Active
Council	M82	% of non-offensive graffiti removed within 10 working days.	Monthly	Under development
Partnership	M85	Footfall in Croydon Town Centre.	TBC	Under development
Partnership	M86	Employment rate - % of 16-64 year olds in employment.	Quarterly	Active
Partnership	M87	% change in weekly earnings (£) for employed Croydon residents.	Annual	Active
Council	M01	Variance against net General Fund budget.	Monthly	Active
Partnership	M88	% 16-18 year olds completing study who go on to sustained education, apprenticeship, or employment.	Annual	Active
Partnership	M81	Number of people on the Adult Social Care waiting list/s	TBC	Under development

- 6.4 The performance report in appendix A gives an overview of performance on 30 November 2023 (unless otherwise stated). The measures are listed under the relevant outcomes of the Executive Mayor's Business Plan. KPI's which are at, or above target, will receive a green status. Those within 10% of achieving target an amber status and those which are operating below target by 10% or more, a red status. Where a measure has no target as it has not yet been set, or it is not appropriate to set a target, the RAG status will be shown as grey. Where a measure has either no data or target at the moment, the RAG status will be shown as black.
- 6.5 Where measures are under performing, with a RAG rating of amber or red, service commentary to the actions in place to address under performance is provided to add context when reviewing. Those measures which are performing well and to target, are not required to supply any commentary.
- 6.6 Where data is not provided, or a target has not been set (council KPI's only), this may create a risk as is it not possible to robustly monitor performance.
- 6.7 As part of the Housing transformation programme, the Housing directorate has transitioned to a new I.T system (NEC). The phased transition to the new system included a period of staff training on data inputting, report extraction and the development of performance reports on the system. This coupled with the Housing Directorate undergoing a significant period of change, including mobilisation of new contractors, new repairs contact centre and the restructure of the Homelessness division, has resulted in a lag in the new system data being available. It should be noted that data has been monitored locally, and for consistency the last previous system data for these measures is April 2023.) Data from the new system is included in this report however, there are data gaps as a result of the transition to the NEC system. These gaps are being addressed and will be resolved by the next iteration of the report.

7 Report Governance

- 7.1 **Directorate and statutory performance reporting** – Performance reports continue to be presented to all Directorate Management Team meetings each month. Corporate Directors / Directors are responsible for discussing the contents of directorate and statutory performance reports with the relevant Cabinet Member and the Executive Mayor to ensure line of sight and accountability. The report is then presented to the Corporate Management Team (CMT) on a monthly basis, to allow check and challenge. Areas of performance concern are escalated to the Executive Mayor via regular Mayoral Briefings.
- 7.2 The Head of Programmes and Performance has independent oversight of all performance reports relating to the Executive Mayor's Business Plan 2022-26 which are also reviewed monthly at Corporate and Directorate Management Team meetings. Where performance meets the criteria below, it will be escalated to the Chief Executive and CMT Performance lead for their review:

Three consecutive monthly reporting periods of performance in excess of 10% off target **and** the direction of travel is worsening over the same period, or staying the same **and** no action plan in place or, action plan in place is having no effect in expected timescale.

Performance issues will be similarly escalated by the Head of Programmes and Performance where:

- DMT's are unable to provide assurance that the action plan in place is fit for purpose / delivering improvement.
- DMT's require investment in order that performance can be improved.
- Lack of action / speed of improvement can result in substantial risk to the organisation (special measures, fines, IAP expectation etc).
- Non delivery will have a detrimental impact on the delivery of corporate / Mayor priorities.

- 7.3 In all these circumstances, the Chief Executive/CMT performance lead, will consider whether further action is required such as a focussed discussion with the relevant Corporate Director, Director, Head of Service and/or service manager to understand the issues causing the performance failure and what needs to happen to drive improvement.
- 7.4 In addition to performance reporting being regularly discussed by Corporate Directors and the chief executive with their Cabinet Members and the Executive Mayor and all reds escalated for their information and review, the Corporate Management team reviews the performance indicators report on a monthly basis and the Mayor's Advisory Board also reviews the quarterly corporate performance report.
- 7.5 In line with continuous improvement this process is currently under review to ensure that it meets all the necessary requirements to monitor, check and challenge areas which are underperforming.



8 ALTERNATIVE OPTIONS CONSIDERED

8.1 None.

9 CONSULTATIONS

9.1 None.

10 CONTRIBUTIONS TO COUNCIL PRIORITIES

10.1 This performance report monitors progress made against the five outcomes within the Executive Mayor's Business Plan 2022-26

11 IMPLICATIONS

11.1 FINANCIAL IMPLICATIONS

11.1.1 There are no direct financial implications arising from this report. There will be financial implications associated with the delivery of the projects and actions within the Mayor's Business Plan which have been factored into the Medium Term Financial Strategy. The delivery of these projects and actions, and the resulting savings is essential. It is therefore critical that effective monitoring and reporting is in place.

Approved by: Ian Geary, Interim Head of Corporate Finance, on behalf of Allister Bannin, Director of Finance, 3 January 2024.

11.2 LEGAL IMPLICATIONS

11.2.1 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' under Section 3(1) of the Local Government Act 1999 (LGA). The best value duty applies to all functions of the Council and monitoring of performance information and acting on the findings are an important way in which that obligation can be supported.

11.2.2 On 20 July 2023 the Secretary of State (SoS) for Levelling Up, Housing and Communities issued Directions under Section 15(5) of the LGA to the Council due to its failure to comply with its best value duty. The SoS Directions require the Council to take a number of actions which include 'to secure as soon as practicable that all the Authority's functions are exercised in conformity with the best value duty'. The Directions are expected to remain in force until 20 July 2025 but could be amended or revoked at an earlier date by the SoS if appropriate. The recommendations in this report are supportive of the actions required under the SoS Directions.

11.2.3 Separately, the government has established the Office for Local Government (Oflog), a new local government performance body in England. It is proposed that Oflog will "provide authoritative and accessible data and analysis about the performance of local government and support its improvement". At present, the Local Authority Data Explorer covers only 4 areas of performance, adult social care, waste management, adult skills and local authority finance, but it is intended to add more over time.

<https://www.gov.uk/government/publications/office-for-local-government-understanding-and-supporting-local-government-performance/office-for-local-government-understanding-and-supporting-local-government-performance>

11.2.4 Any legal implications arising in relation to individual actions within the Mayor's Business Plan will need to be considered as and when projects and decisions come forward for approval.

Approved by: Sandra Herbert, Head of Litigation & Corporate Law on behalf of the Director of Legal Services and Monitoring Officer, 14 December 2023.

11.3 EQUALITIES IMPLICATIONS

11.3.1 In April 2011 the Equality Act (2010) introduced the public sector duty which extends the protected characteristics covered by the public sector equality duty to include age, sexual orientation, pregnancy and maternity, and religion or belief.

11.3.2 Section 149 Equality Act 2010 requires public bodies to have due regard to the need to:

- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act.
- advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- foster good relations between people who share a protected characteristic and people who do not share it.

11.3.3 Having due regard means consciously thinking about the three aims of the Equality Duty as part of the process of decision-making. This means that decision makers must be able to evidence that they have taken into account any impact of the proposals under consideration on people who share the protected characteristics before decisions are taken.

11.3.4 The refreshed Equality Strategy 2023 – 2027 is the key performance tool for our equality deliverables. Directorate Service objectives and individual objectives are inclusive of equalities deliverables included in the Equality strategy. Organisational priorities are also inclusive of equality targets in respect of the organisation and the community.

Approved by: Naseer Ahmad for the Equalities Programme Manager, 8 December 2023.

11.4 HUMAN RESOURCES IMPACT

11.4.1 Key to delivery of the Executive Mayor's Business Plan will be to retain and invest in a skilled workforce, who are enabled and engaged through a positive organisational culture. The council's People and Cultural Transformation Strategy has been developed, together with a detailed workforce co-created action plan to be aligned to the Executive Mayor's Business Plan, supporting building workforce skills and capacity for the future. It will be essential to create a golden thread, where all staff can see how their work links to the work of their team, their division, their directorate, the council's service plans, and the Executive Mayor's Business Plan.

11.4.2 Any planned service changes through informed review, will be subject to the council's organisational change procedure and formal consultation with staff and trade unions.

Approved by: Dean Shoesmith, Chief People Officer, Dated: 2 January 2024.

12 APPENDICES

12.1 Appendix A: Overview Performance Report – Latest available data as of 30 November 2023 (unless otherwise stated).

Appendix B: Detailed Performance Report – Latest available data as of 30 November 2023 (unless otherwise stated)

13 BACKGROUND DOCUMENTS

13.1 Executive Mayor’s Business Plan 2022-26

APPENDIX A
Mayor's Business Plan 2022-26
Summary Performance Report
November 2023





Over the past four months, I have continued working towards achieving the objectives outlined in the Mayoral Business Plan, tackling our financial challenges, providing decisive leadership, and restoring pride in Croydon.

Our efforts to regenerate and revitalize the borough have shown notable progress, especially in Town Centre regeneration. Regular meetings with core partners such as Unibail-Rodamco-Westfield (URW) and the Town Centre Advisory Board has seen growing confidence that Croydon is becoming more welcoming to investors and hospitable for businesses. We are currently finalising our plans, following our successful £18.5m Levelling-Up Bid, to further connect and refresh the town centre by stitching back the routes between key interchanges and creating quality public realm. Following approval from the Department for Levelling Up, Housing, and Communities, we expect to see works starting this summer.



The Purley Pool development has witnessed significant progress, with heads of terms recently agreed. Polaska, responsible for the design and development, is poised to submit their planning application soon. As the year unfolds, collaboration with our Planning team will ensure designs are purposeful and aligned with resident needs.

Improving the aesthetics of district centres has been a focus, with 'walkabouts' leading to 'blitz' clean-ups targeting graffiti and fly-tipping. Due to the success observed during the trial period, we will be expanding these efforts borough-wide, with Thornton Heath next in line. Additionally, the recent introduction of a Public Spaces Protection Order (PSPO) in Thornton Heath aims to address anti-social behaviour.

Continuous engagement with the Improvement and Assurance Panel (IAP) is a priority to ensure we stay on track for their planned exit in 2025. A recent report from the Panel to the government acknowledged Croydon's progress, stating that we are 'moving up a gear' with strong advancements in financial management, governance, and improving council homes.



We recently approved a Housing Strategy, developed after incorporating partner feedback and a seven week consultation. This strategy, aligned with the recently designed Resident's Charter, will form the core of our decision-making process, laying long-term foundations for continued improvement in the Council's Housing service, especially concerning our repairs team.

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Listening to residents remains central to our approach, with recent meetings held with key local businesses such as Monty Bojangles, the charity sector, and residents through my casework drop-in sessions. Mayor's Questions Time events have provided a direct channel for engagement, with recent sessions in Crystal Palace and New Addington and upcoming events scheduled in Sanderstead and across the borough in the coming months.

Whilst progress is considerable, we recognise that we are on an ongoing journey of improvement. My commitment to Croydon remains strong and our accomplishments signify an upward trajectory towards developing a Croydon we all can be proud to call home.

Corporate Performance Framework

RAG Rating Key

The Corporate Performance Indicators are RAG rated by the criteria outlined in the table below.

Key	RAG
Performance has not met target and is out by over 10% / differs from comparators by over 10%	Red
Performance has not met target but is within 10% / differs from comparators but is within 10%	Orange
Performance has met or exceeded target / has matched one or more comparators	Green
Data has been submitted, but no target has been set.	Grey
No data has been submitted.	Black

Mayor's Business Plan 2022-26 Performance Indicators - Outcome 1 - The Council Balances its books, listens to residents and delivers good sustainable services

Ref.	Indicator	Council or partnership working	Bigger or smaller is better?	Frequency	Target	Previous value	Latest date	Latest value	Direction of travel	RAG	Benchmarking timeframe	Benchmark
M01	Variance against net budget requirement	Council	Smaller is better	Monthly	£0	£0	Oct 2023	£0		Green	No comparable data available	
M03	Council Tax 'In-year' Collection rate	Council	Bigger is better	Monthly	70.51%	60.76%	Apr-23-Nov-23	68.96%	↑	Amber	No comparable data available	
M05	Non-Domestic Rates (Business Rates) Collection rate	Council	Bigger is better	Monthly	74.5%	71.6%	Apr-23-Nov-23	80.6%	↑	Green	No comparable data available	
M06	Rent collection on General needs stock	Council	Bigger is better	Monthly	97.0%	92.6%	Apr-23-Nov-23	93.7%	↑	Amber	No comparable data available	
M07	Satisfaction that the landlord listens to tenant views and acts upon them	Council	Bigger is better	Quarterly	43%	43%	Q2 23/24	42%	↓	Amber	2022/23 London median	43%
M08	% who are very or fairly satisfied with the way Croydon Council deals with repairs and maintenance	Council	Bigger is better	Quarterly	56%	53%	Q2 23/24	60%	↑	Green	2021-2023 London median	56%
M10	Average council contact centre wait time	Council	Smaller is better	Monthly	120s	244s	Nov 2023	168s	↑	Red	No comparable data available	
M10a	Average council contact centre wait time (Responsive repairs call centre only)	Council	Smaller is better	Monthly	20s	229s	Nov 2023	560s	↓	Red	No comparable data available	
M10b	Staff Turnover rate (FTE who have left in the past 12 months divided by the total permanent staff)	Council	Smaller is better	Monthly		12.6%	Dec-22-Nov-23	12.6%	▬	N/A	2021/22 London average	12.6%
M11a	Staff Turnover rate - enforced turnover (redundancy or other forms of dismissal)	Council	N/A	Monthly		8.7%	Dec-22-Nov-23	10.1%		N/A	2021/22 London average	14.8%
M11b	Staff Turnover rate - natural turnover (staff leaving from resignation)	Council	N/A	Monthly		91.3%	Dec-22-Nov-23	89.9%		N/A	2021/22 London average	85.2%
M12	Sickness - number of sick days per FTE	Council	Smaller is better	Monthly	7.60	8.20	Dec-22-Nov-23	8.40	↓	Red	Rolling Year to Mar 21 (London position)	7.70
M13	% of residents that ended the call before we spoke to them	Council	Smaller is better	Monthly	5%	18%	Nov 2023	13%	↑	Red	No comparable data available	
M13a	% of residents that ended the call before we spoke to them (Responsive repairs call centre only)	Council	Smaller is better	Monthly	5%	16%	Nov 2023	31%	↓	Red	No comparable data available	
M14	FOI responded to on time	Council	Bigger is better	Monthly	90%	78%	Oct 2023	74%	↓	Red	No comparable data available	
M15	SARs responded to on time	Council	Bigger is better	Monthly	90.0%	62.0%	Oct 2023	73.0%	↑	Red	No comparable data available	
M16	Complaints responded to on time	Council	Bigger is better	Monthly	75%	59%	Oct 2023	48%	↓	Red	No comparable data available	
M17	Member Enquiries responded to on time	Council	Bigger is better	Monthly	75%	58%	Oct 2023	53%	↓	Red	No comparable data available	
M18	MP enquiries responded to on time	Council	Bigger is better	Monthly	75%	32%	Oct 2023	46%	↑	Red	No comparable data available	

Mayor's Business Plan 2022-26 Performance Indicators - Outcome 2 - Croydon is a place of opportunity for business, earning and learning

Ref.	Indicator	Council or partnership working	Bigger or smaller is better?	Frequency	Target	Previous value	Latest date	Latest value	Direction of travel	RAG	Benchmarking timeframe	Benchmark
M19	% of people claiming universal credit who are in employment	Partnership	Smaller is better	Monthly		39.3%	Oct 2023	39.6%	↓	N/A	October 2023 (London average)	38.0%
M20	Proportion of 16 and 17 year olds who were not in education, employment or training (NEET)	Council	Smaller is better	Monthly	2.6%	2.3%	Aug 2023	2.4%	↓	Green	Average of Dec 22, Jan 23 and Feb 23 (London position)	1.6%
M21	Number of apprenticeship schemes started across the council	Council	Bigger is better	Monthly	72	132	Nov 2023	132	—	Green	No comparable data available	
M22	Croydon unemployment rate	Partnership	Smaller is better	Monthly		5.7%	Nov 2023	5.7%	—	N/A	Nov 2023 (London position)	5.0%
M23	% of care leavers in employment, education or training (EET) now aged 19 to 21	Council	Bigger is better	Monthly	60%	62%	Nov 2023	61%	↓	Green	2022/23 (London position)	60%
M24	Major Planning applications determined in time over a rolling 2 year period	Council	Bigger is better	Monthly	60.00%	90.91%	Dec-21-Nov-23	91.04%	↑	Green	24 months to end of March 2022 (London position)	90.40%
M25	Non- Major Planning applications determined in time over a rolling 2 year period	Council	Bigger is better	Monthly	70.0%	81.0%	Dec-21-Nov-23	80.9%	↓	Green	24 months to end of March 2022 (London position)	87.2%
M26	Employment rate (% of 16-64 year olds in employment)	Partnership	Bigger is better	Quarterly		74.7%	Q1 23/24	74.9%	↑	N/A	2023/24 Q1 (London position)	75.1%
M27	Annual percentage change in weekly earnings (£) for full time employed Croydon residents.	Partnership	Bigger is better	Annual		7.1%	2023/24	1.8%	↓	N/A	Difference between 2022 and 2023 (London position)	3.9%

Mayor's Business Plan 2022-26 Performance Indicators - Outcome 3 - Every child and young person in Croydon has the chance to thrive, learn and fulfil their potential

Ref.	Indicator	Council or partnership working	Bigger or smaller is better?	Frequency	Target	Previous value	Latest date	Latest value	Direction of travel	RAG	Benchmarking timeframe	Benchmark
M26	Percentage of schools rated 'good' or 'outstanding'	Partnership	Bigger is better	Monthly		93%	Nov 2023	93%	▬	N/A	November 23 (London position)	96%
M27	Permanent exclusions from schools as a percentage of the school population	Both	Smaller is better	Annual		0.03%	2021/22	0.03%	▬	N/A	2021/22 Academic Year (London position)	0.04%
M28	EYFS (Early Years Foundation Stage) - Percentage of children achieving a good level of development	Partnership	Bigger is better	Annual		67.4%	2022/23	69.1%	↑	N/A	2022/23 Academic Year (London position)	69.1%
M29	KS2 - Percentage of pupils achieving expected standard at KS2 in Reading, Writing and Mathematics	Partnership	Bigger is better	Annual		63%	2022/23	62%	↓	N/A	2021/22 Academic Year (London position)	65%
M30	KS4 - Average Progress 8 score per pupil	Partnership	Bigger is better	Annual		-0.02	2022/23	0.01	↓	N/A	2022/23 Academic Year (London position)	0.27
M31	KS4 - Percentage of pupils achieving grades 9-5 in English and Maths	Partnership	Bigger is better	Annual		48.9%	2022/23	44.6%	↓	N/A	2021/22 Academic Year (London position)	57.3%
M32	KS5 - % of students achieving at least 2 substantial level 3 qualifications	Partnership	Bigger is better	Annual		90.7%	2022/23	84.3%	↓	N/A	2022/23 Academic Year (London position)	92.9%
M33	Percentage of Education Health & Care Plans issued within 20 weeks (excluding exceptions)	Council	Bigger is better	Monthly	62%	86%	Nov 2023	85%	↓	Green	2022 (London position)	55%
M34	Percentage of referrals to children services actioned within 2 working days	Council	Bigger is better	Monthly	80%	91%	Nov 2023	88%	↓	Green	No comparable data available	
M35	Rate of children in need per 10,000 of under 18 population	Council	N/A	Monthly		458	Nov 2023	481		N/A	2022/23 (London position)	370
M36	Number of current child protection plans lasting 2 years or more	Council	Smaller is better	Monthly	2.8%	2.6%	Nov 2023	2.3%	↑	Green	2022/23 (London position)	3.2%
M37	% of children subject to a Child Protection Plan for a second or subsequent time (ever)	Council	Smaller is better	Monthly	20%	24%	Nov 2023	24%	▬	Red	2022/23 (London position)	20%
M38	Rate of local Children Looked after (CLA) per 10,000 under 18 years population	Council	Smaller is better	Monthly	49.9	45.7	Nov 2023	46.2	↓	Green	2021/22 (London position)	39.9
M39	Number of children & young people on special educational needs & disability supported travel moving to independent travel plans (students per trainer)	Council	Bigger is better	Annual	9.5		2021/22	22.0		Green	No comparable data available	
M40	Percentage of the under 18 years population who are UASC	Council	Smaller is better	Monthly	0.11%	0.10%	Nov 2023	0.11%	↓	Green	2021/22 (London position)	0.08%
M41	Percentage of Care Experienced young people who were formerly UASC	Council	Not specified	Monthly		56%	Nov 2023	56%		N/A	No comparable data available	
M88	Percentage of 16-18 year olds completing study who go on to Sustained education, apprenticeship or employment	Partnership	Bigger is better	Annual		94.7%	2021/22	94.3%	↓	N/A	2021/22 (London position)	94.6%

Mayor's Business Plan 2022-26 Performance Indicators - Outcome 4 - Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

Ref.	Indicator	Council or partnership working	Bigger or smaller is better?	Frequency	Target	Previous value	Latest date	Latest value	Direction of travel	RAG	Benchmarking timeframe	Benchmark
M43	% of reported flytips removed within one working day	Council	Bigger is better	Monthly	95.0%	96.7%	Nov 2023	97.1%	↑	Green	24 months to end of March 2022 (London position)	90.4%
M44	% of waste rejected as contamination by Croydon's processing facility	Council	Smaller is better	Monthly	6.00%	22.28%	Sep 2023	25.21%	↓	Red	2021-22 Stat neighbour median	6.00%
M45a	Household waste recycling rate	Council	Bigger is better	Monthly	36.30%	34.51%	Sep 2023	31.95%	↓	Red	2021-22 Stat neighbour median	36.30%
M45b	Non-recycled Household Waste (kg per household)	Council	Smaller is better	Monthly	47.43	40.57	Sep 2023	38.67	↑	Green	2021-22 Stat neighbour median	47.43
M46	% of street below grade rectified within 24hrs	Council	Bigger is better	Monthly	95.00%	97.51%	Nov 2023	93.78%	↓	Amber	No comparable data available	
M47	% of household waste collected on time	Council	Bigger is better	Monthly	95.00%	99.85%	Nov 2023	99.89%	↑	Green	24 months to end of March 2022 (London position)	87.20%
M48	Violence with injury offences rate per 1,000 population	Partnership	Smaller is better	Monthly		9.30	Nov-22-Oct-23	9.40	↓	N/A	12 months rolling to October 23 (London position)	8.80
M49	Juvenile first time entrants to the criminal justice system per 100,000 of 10-17 year olds	Partnership	Smaller is better	Monthly		244	Dec-22-Nov-23	254	↓	N/A	2021 (London position)	184
M50	Knife crime with injury rolling 12 months (rate per 1,000 population)	Partnership	Smaller is better	Monthly		0.60	Nov-22-Oct-23	0.50	↑	N/A	12 months rolling to October 23 (London position)	0.40
M51	Knife crime with injury (victims 1-24 years old) rolling 12 months (rate per 1,000 1-24 population)	Partnership	Smaller is better	Monthly		0.20	Nov-22-Oct-23	0.20	—	N/A	12 months rolling to October 23 (London position)	0.30
M52	Hate crime offences (includes Homophobic, transphobic, religious, race and disability hate crimes) rate per 1,000 population	Partnership	N/A	Monthly		2.50	Nov-22-Oct-23	2.50		N/A	12 months rolling to October 23 (London position)	2.90
M53	Domestic violence offences rate per 1,000 population	Partnership	N/A	Monthly		12.90	Nov-22-Oct-23	12.80		N/A	12 months rolling to October 23 (London position)	10.80
M54	% opiates and/or crack cocaine users not in treatment	Partnership	Smaller is better	Annual		68.4%	2020/21	67.8%	↑	N/A	2020/21 (London average)	64.5%
M55	% of the eligible population offered an NHS Health Check who received one (% uptake)	Partnership	Bigger is better	Quarterly		42%	Q2 23/24	14%	↓	N/A	2023/24 Q1 (London position)	35%
M57	% of children receiving 6-8 week review by health visitor by the time they were 8 weeks	Council	Bigger is better	Quarterly	70.5%	61.6%	Q4 22/23	58.9%	↓	Red	2022/23 Q4 (London position)	71.8%
M58	% of children aged 2.5 who received a 2 - 2.5 year review	Council	Bigger is better	Quarterly	61.1%	51.6%	Q4 22/23	42.0%	↓	Red	2022/23 Q4 (London position)	63.1%

Mayor's Business Plan 2022-26 Performance Indicators - Outcome 4 - Croydon is a cleaner, safer and healthier place, a borough to be proud to call home - page 2

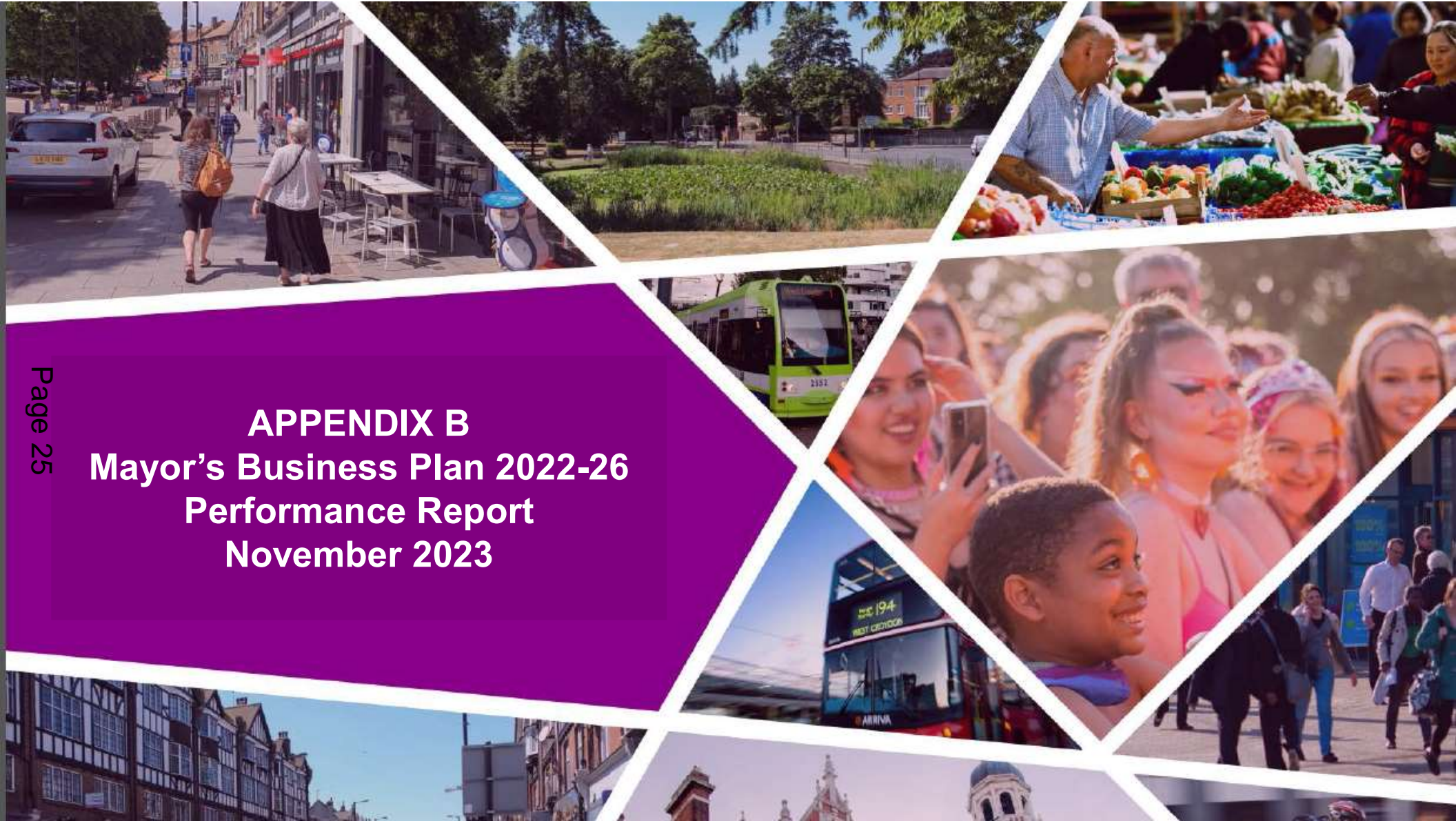
Ref.	Indicator	Council or partnership working	Bigger or smaller is better?	Frequency	Target	Previous value	Latest date	Latest value	Direction of travel	RAG	Benchmarking timeframe	Benchmark
M59	% of children aged 10-11 years (children in year 6) classified as obese or overweight	Partnership	Smaller is better	Annual		41.9%	2022/23	39.9%	↑	N/A	2022/23 (London average)	38.8%
M60	% of children aged 4-5 years (children in reception) classified as obese or overweight	Partnership	Smaller is better	Annual		22.0%	2022/23	20.3%	↑	N/A	2022/23 (London average)	20.0%
M61	Carbon dioxide (CO2) emissions estimates within the scope of influence of Local Authorities (Emissions per km2 (kt CO2))	Council	Smaller is better	Annual	15.9	11.3	2021	12.3	↓	Green	2020 (London position)	15.9
M62	Affordable homes completed (measured as a % of total build)	Partnership	Bigger is better	Annual		18%	2021/22	16%	↓	N/A	No comparable data available	
M64	Total households in Temporary accommodation	Council	Smaller is better	Monthly	2,400	3,179	Nov 2023	3,188	↓	Red	No comparable data available	
M65	Number of temporary accommodation households that are in nightly let	Council	Smaller is better	Monthly	800	1,090	Nov 2023	1,143	↓	Red	No comparable data available	
M66	Number of temporary accommodation households that are in shared accommodation >6 weeks	Council	Smaller is better	Monthly	5	140	Nov 2023	151	↓	Red	No comparable data available	
M67	Number of homelessness cases prevented	Council	Bigger is better	Monthly	35	7	Nov 2023	4	↓	Red	No comparable data available	
M68	Number of cases where Homelessness was Relieved	Council	Bigger is better	Monthly	25	2	Nov 2023	1	↓	Red	No comparable data available	
M69	Number of Homeless Applications Made	Council	N/A	Monthly		190	Nov 2023	113		N/A	No comparable data available	
M83	% of Responsive Repairs completed within target times	Council	Bigger is better	Monthly		62.1%	Nov 2023	70.0%	↑	N/A	No comparable data available	
M84	Average Void Re-let times taken (Days)	Council	Smaller is better	Monthly	40.0	113.7	Oct 2023	103.9	↑	Red		

Mayor's Business Plan 2022-26 Performance Indicators - Outcome 5 - People can lead healthier and independent lives for longer

Ref.	Indicator	Council or partnership working	Bigger or smaller is better?	Frequency	Target	Previous value	Latest date	Latest value	Direction of travel	RAG	Benchmarking timeframe	Benchmark
M70	% of safeguarding intervention leading to reduction / removal of risk (closed episodes)	Council	Bigger is better	Monthly	95%	98%	Nov 2023	98%	→	Green	No comparable data available	
M71	% of people who approach the council for help with adult care and that is resolved at the point of initial contact.	Council	Bigger is better	Monthly	75%	74%	Nov 2023	72%	↓	Amber	No comparable data available	
M72	% of people still at home after 91 days after returning home from using reablement service	Council	Bigger is better	Quarterly	86%	81%	Q2 23/24	82%	↑	Amber	FY 22-23 (London position)	86%
M73	Rate of 18-64 clients in long term care (per 100,000)	Council	Smaller is better	Monthly	708	858	Nov 2023	841	↑	Red	FY 22-23 (London position)	708
M74	Rate of 65+ clients in Long term care (per 100,000)	Council	Smaller is better	Monthly	5,000	4,420	Nov 2023	4,397	↑	Green	FY 22-23 (England position)	5,000
M75	Rate of 18-64 clients supported to live independently (per 100,000)	Council	Smaller is better	Monthly	698	778	Nov 2023	760	↑	Amber	FY 22-23 (London position)	698
M76	Rate of 65+ clients supported to live independently (per 100,000)	Council	Smaller is better	Monthly	5,316	3,972	Nov 2023	3,949	↑	Green	FY 22-23 (England position)	5,316
M77	Rate of 18-64 people in residential and nursing care (per 100,000)	Council	Smaller is better	Monthly	99	179	Nov 2023	173	↑	Red	FY 22-23 (London position)	99
M78	Rate of 65+ people in residential and nursing care (per 100,000)	Council	Smaller is better	Monthly	1,273	1,514	Nov 2023	1,518	↓	Red	FY 22-23 (England position)	1,273
M79	% of eligible adults managing their care via direct payment	Council	Bigger is better	Monthly	25%	16%	Nov 2023	18%	↑	Red	FY 22-23 (London position)	25%
M80	% of long term clients in care for more than 12+ months, who have had a review in the last 12 months	Council	Bigger is better	Monthly	50%	43%	Nov 2023	43%	↑	Red	FY 22-23 (London position)	58%

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APPENDIX B
Mayor's Business Plan 2022-26
Performance Report
November 2023





Over the past four months, I have continued working towards achieving the objectives outlined in the Mayoral Business Plan, tackling our financial challenges, providing decisive leadership, and restoring pride in Croydon.

Our efforts to regenerate and revitalize the borough have shown notable progress, especially in Town Centre regeneration. Regular meetings with core partners such as Unibail-Rodamco-Westfield (URW) and the Town Centre Advisory Board has seen growing confidence that Croydon is becoming more welcoming to investors and hospitable for businesses. We are currently finalising our plans, following our successful £18.5m Levelling-Up Bid, to further connect and refresh the town centre by stitching back the routes between key interchanges and creating quality public realm. Following approval from the Department for Levelling Up, Housing, and Communities, we expect to see works starting this summer.



The Purley Pool development has witnessed significant progress, with heads of terms recently agreed. Polaska, responsible for the design and development, is poised to submit their planning application soon. As the year unfolds, collaboration with our Planning team will ensure designs are purposeful and aligned with resident needs.

Improving the aesthetics of district centres has been a focus, with 'walkabouts' leading to 'blitz' clean-ups targeting graffiti and fly-tipping. Due to the success observed during the trial period, we will be expanding these efforts borough-wide, with Thornton Heath next in line. Additionally, the recent introduction of a Public Spaces Protection Order (PSPO) in Thornton Heath aims to address anti-social behaviour.

Continuous engagement with the Improvement and Assurance Panel (IAP) is a priority to ensure we stay on track for their planned exit in 2025. A recent report from the Panel to the government acknowledged Croydon's progress, stating that we are 'moving up a gear' with strong advancements in financial management, governance, and improving council homes.



We recently approved a Housing Strategy, developed after incorporating partner feedback and a seven week consultation. This strategy, aligned with the recently designed Resident's Charter, will form the core of our decision-making process, laying long-term foundations for continued improvement in the Council's Housing service, especially concerning our repairs team.



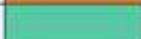
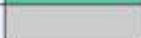
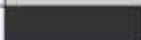
Listening to residents remains central to our approach, with recent meetings held with key local businesses such as Monty Bojangles, the charity sector, and residents through my casework drop-in sessions. Mayor's Questions Time events have provided a direct channel for engagement, with recent sessions in Crystal Palace and New Addington and upcoming events scheduled in Sanderstead and across the borough in the coming months.

Whilst progress is considerable, we recognise that we are on an ongoing journey of improvement. My commitment to Croydon remains strong and our accomplishments signify an upward trajectory towards developing a Croydon we all can be proud to call home.

Corporate Performance Framework

RAG Rating Key

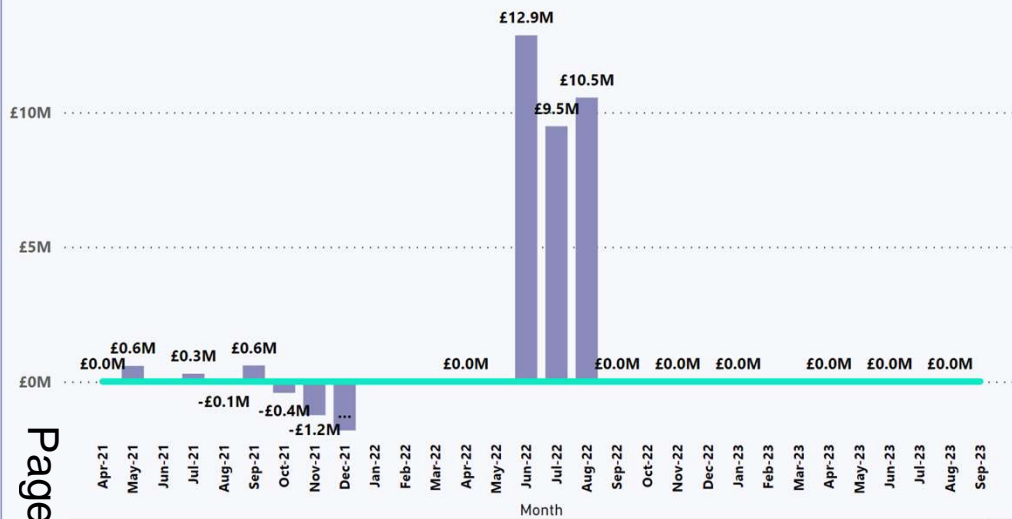
The Corporate Performance Indicators are RAG rated by the criteria outlined in the table below.

Key	RAG
Performance has not met target and is out by over 10% / differs from comparators by over 10%	
Performance has not met target but is within 10% / differs from comparators but is within 10%	
Performance has met or exceeded target / has matched one or more comparators	
Data has been submitted, but no target has been set.	
No data has been submitted.	

1. The Council balances its books, listens to residents and delivers good sustainable services

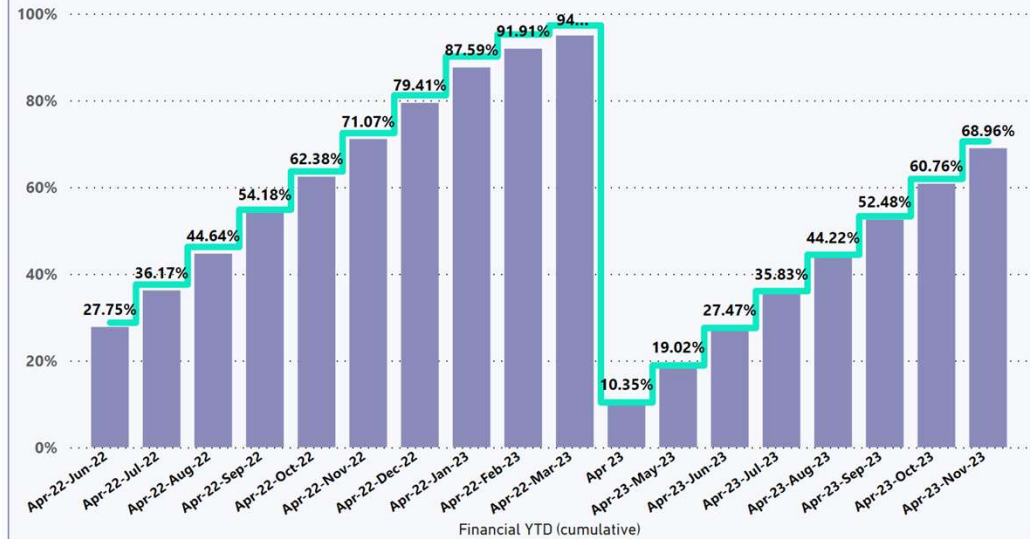
Variance against net budget requirement

● Indicator value — Target — Benchmark



Council Tax 'In-year' Collection rate

● Indicator value — Target — Benchmark



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Indicator Ref. M01

Outcome 1
The Council Balances its books, listens to residents and delivers good sustainable services

Directorate
All directorates

RAG status - Green

Benchmarking timeframe
No comparable data available

Comment

Breakeven forecast position, following the forecast utilisation of £63m capitalisation directions requested from DLUHC. The service directorates show a forecast overspend of £1.5m which is offset by 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.
Breakdown by directorate for October 2023:
Adult social care and health: -£1.0m (underspend)
Assistant Chief Executive: -£0.9m (underspend)
Children, young people and education: £5.4m (overspend)
Housing: £0m
Resources: -£2.0m (underspend)
Sustainable communities, regeneration and economic recovery: £0m
Corporate items and funding: -£1.5m (underspend)
Total net expenditure: £0m

Indicator Ref. M03

Outcome 1
The Council Balances its books, listens to residents and delivers good sustainable services

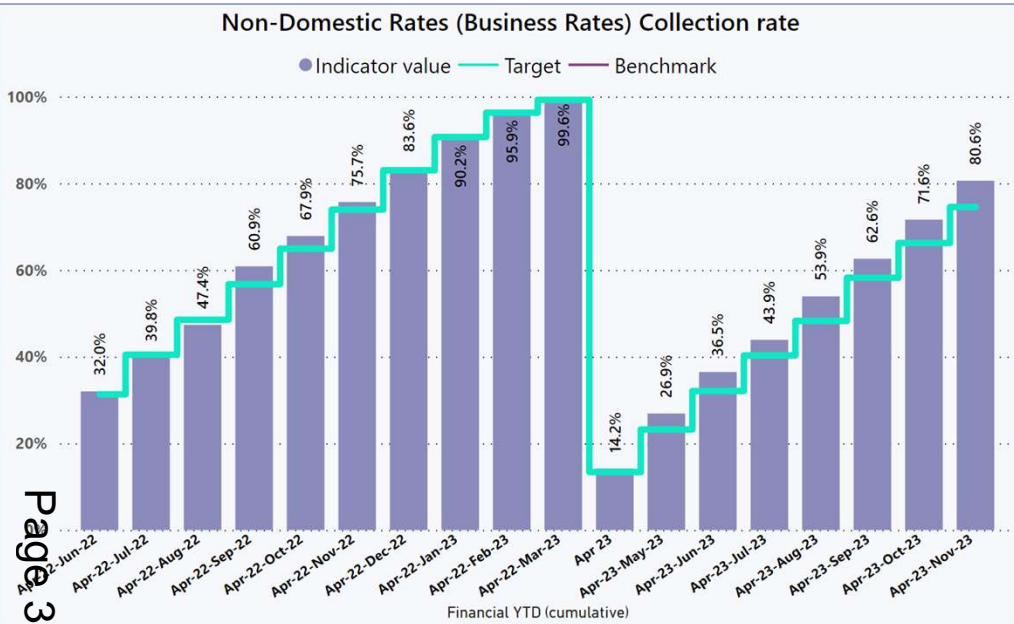
Directorate
Resources

RAG status - Amber

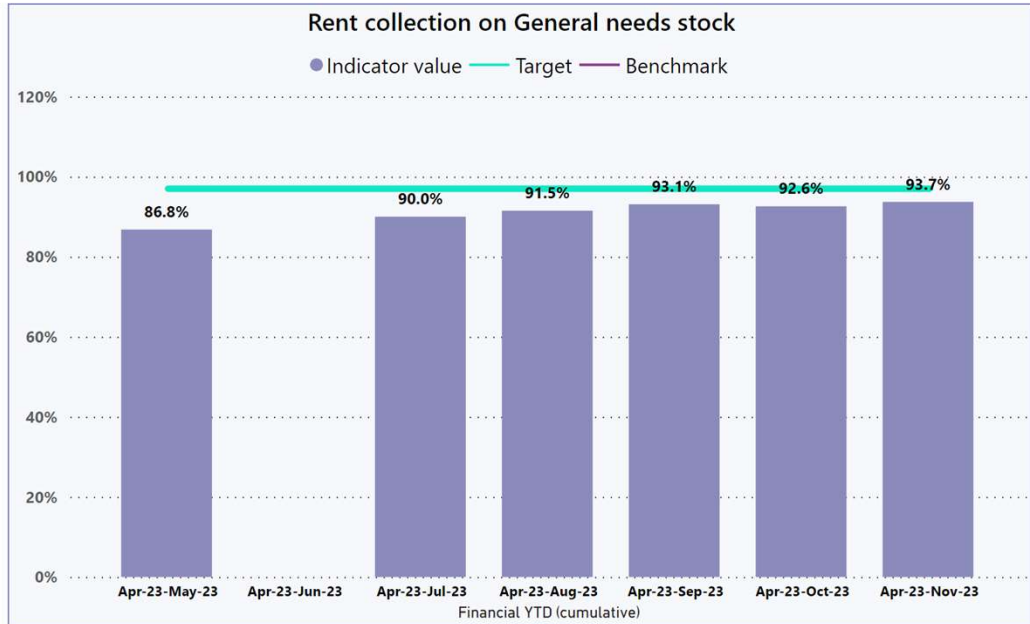
Benchmarking timeframe
No comparable data available

Comment

The overall collection target of 97.5% which is used to set the budget is not at risk, and will be achieved. As expected, the in year collection actual has fallen from being 1.12% behind target as at the end of October, to 1.55% behind the target as at the end of November. More than 500 additional moves have been processed in September and October, above the average number of moves. This recalculates instalments meaning more collections are due in February and March. To put this into context, as at the end of October, an additional £4m is to be collected in February and March 2024, than at the start of year in April 2023. The net collectable debt has increased by £700k in October due to the removal of single persons discounts. There are still more discounts to be removed, this impacts on % collection as there is more to collect, and instalments are recalculated once single persons discounts are removed. There is £6/700k of additional properties that are completing and these need to be added into the tax base meaning additional collections. During November the tax base increased by £300k due to additional properties being added. As per previous years, the in year collection will continue to look behind the target during November and December. Collection rates will increase during January, February and March 2024.



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Indicator Ref.
M05

Outcome 1
The Council Balances its books, listens to residents and delivers good sustainable services

Directorate
Resources

RAG status - Green

Benchmarking timeframe
No comparable data available

Comment
As at the end of November the business rates actual collection is 80.60% against a target of 74.54%, so up on target by 6.06%

Indicator Ref.
M06

Outcome 1
The Council Balances its books, listens to residents and delivers good sustainable services

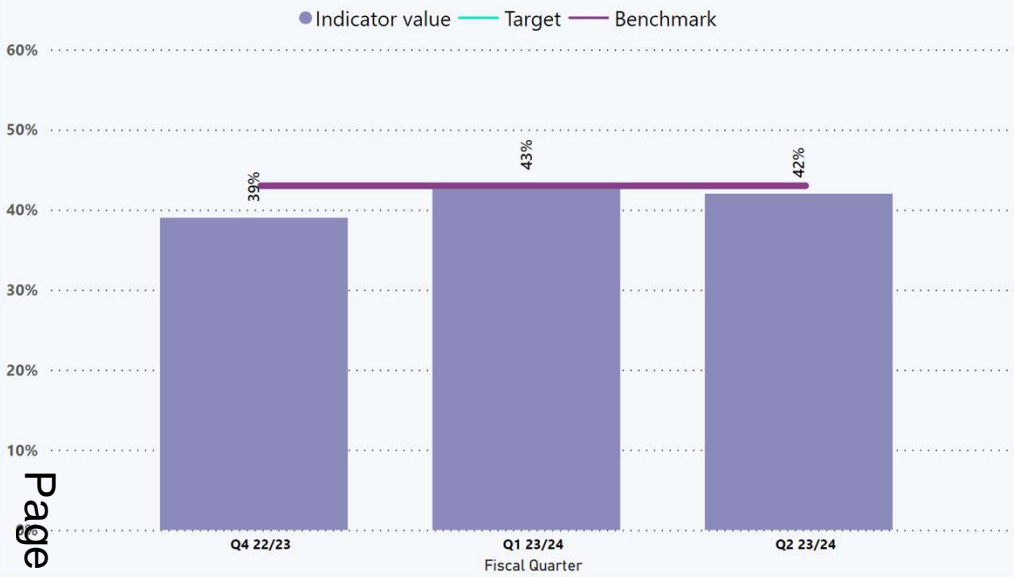
Directorate
Housing

RAG status - Amber

Benchmarking timeframe
No comparable data available

Comment
This month we have seen positive movement in the collection rate. It is up 1.1% on the previous month.

Satisfaction that the landlord listens to tenant views and acts upon them



Indicator Ref.
M07

Outcome 1
The Council Balances its books, listens to residents and delivers good sustainable services

Directorate
Housing

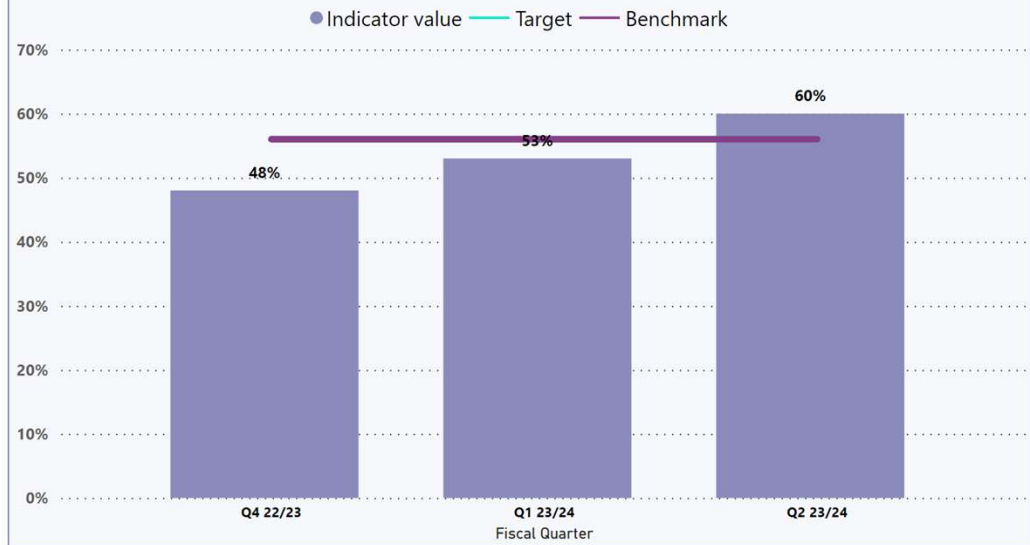
RAG status - Amber

Benchmarking timeframe
2022/23 London median

Comment

Performance in November reflected a slight drop in satisfaction with this indicator. However, with the application of the principles of the Residents' Charter and new Resident Engagement Strategy setting out how we will effectively engage with residents, there is confidence in the service that this performance will improve through 2004. Applying these principles, we have ensured that residents have been engaged on the procurement of new repair contractors, on the Asset Management Strategy and the Housing Management Strategy going forward, and on complaints handling. This will be enhanced by the roll out of the Transformation Programme including the new repair contractors, employing NEC as an integrated Housing Management IT system framework, increased stress on learning from complaints and improved staffing structures which will feed through to better services and improved resident satisfaction.

% who are very or fairly satisfied with the way Croydon Council deals with repairs and maintenance



Indicator Ref.
M08

Outcome 1
The Council Balances its books, listens to residents and delivers good sustainable services

Directorate
Housing

RAG status - Green

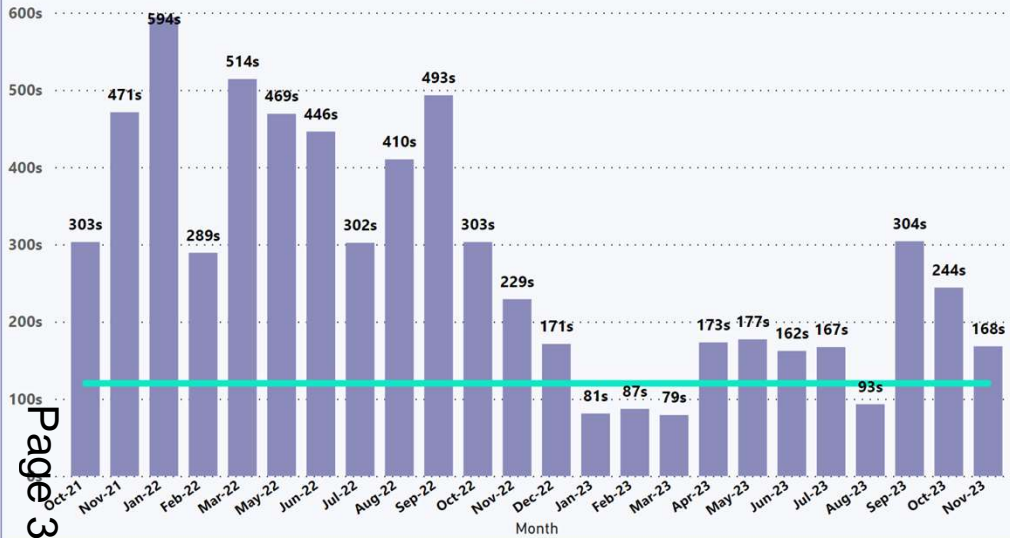
Benchmarking timeframe
2021-2023 London median

Comment

For the first six months of 2023-24, the previous contractors were still providing Croydon's repairs and maintenance services. Following the procurement of the three new repair contractors - Mears, Waites and K&T Heating, there are now substantial differences in the way that the repairs and maintenance service is managed. It is still very early days in this change, but we are working hard on developing these new relationships and asserting good contract management principles. Data in the first two months since the new contractors have been providing this service shows some promise in terms of performance and tenant satisfaction but we will continue to press for continuous improvement in this crucial area to our residents.

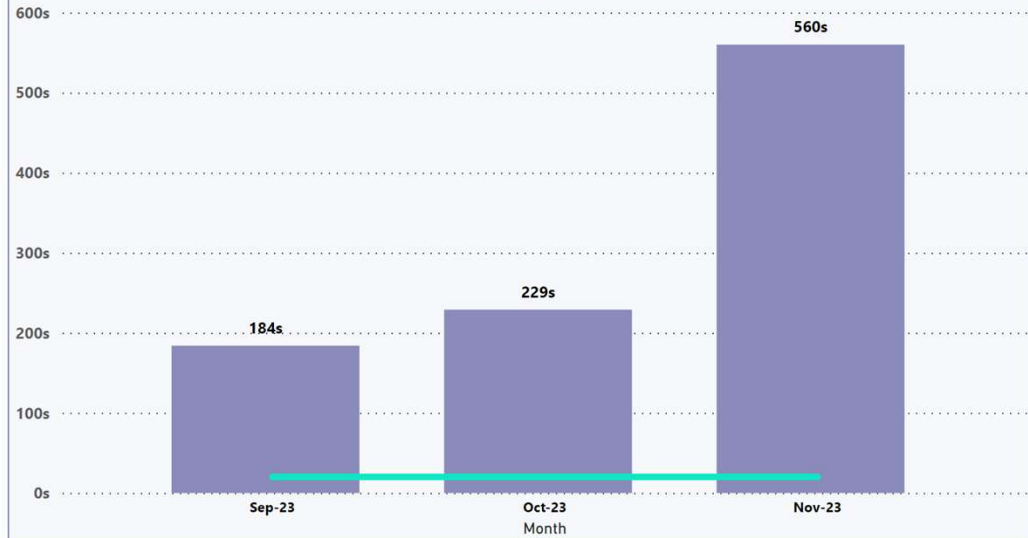
Average council contact centre wait time

● Indicator value — Target — Benchmark



Average council contact centre wait time (Responsive repairs call centre only)

● Indicator value — Target — Benchmark



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Indicator Ref.
M10

Outcome 1
The Council Balances its books, listens to residents and delivers good sustainable services

Directorate
Assistant Chief Executive

RAG status - Red

Benchmarking timeframe
No comparable data available

Comment

Overall Performance for Nov 23 was better than Oct 23. A lower abandonment rate and call wait time. Housing calls are up 22% on last year. Education is up 12% and calls to childrens services 16%. We continue to be impacted by other services not logging into their phones. 20% of all calls received are as a result of ring groups not being logged into or not being sufficiently resourced for call volume. We now have a report showing ring group performance and the impact on calls not answered on the contact centre. We will be sharing this with the relevant services as well as CMT.

Indicator Ref.
M10a

Outcome 1
The Council Balances its books, listens to residents and delivers good sustainable services

Directorate
Housing

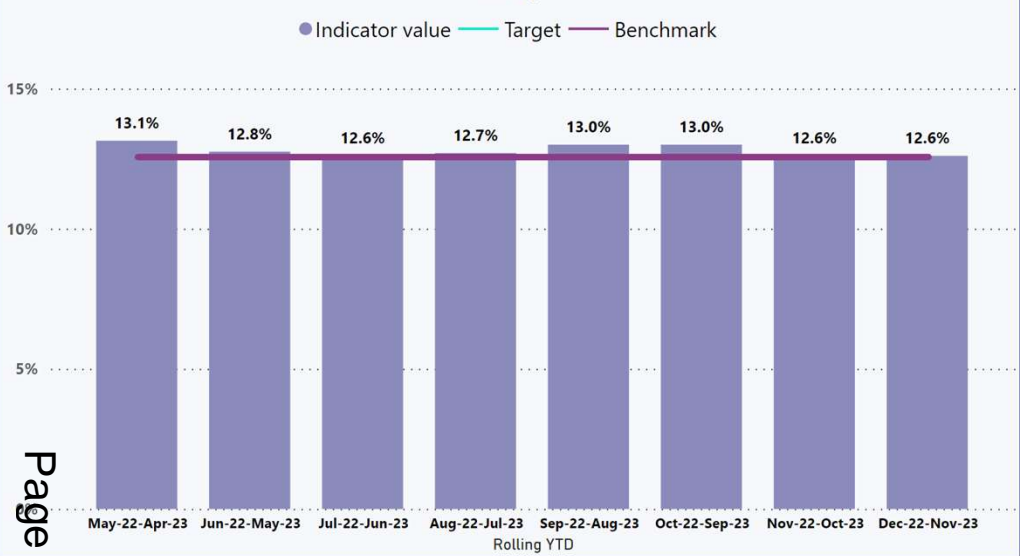
RAG status - Red

Benchmarking timeframe
No comparable data available

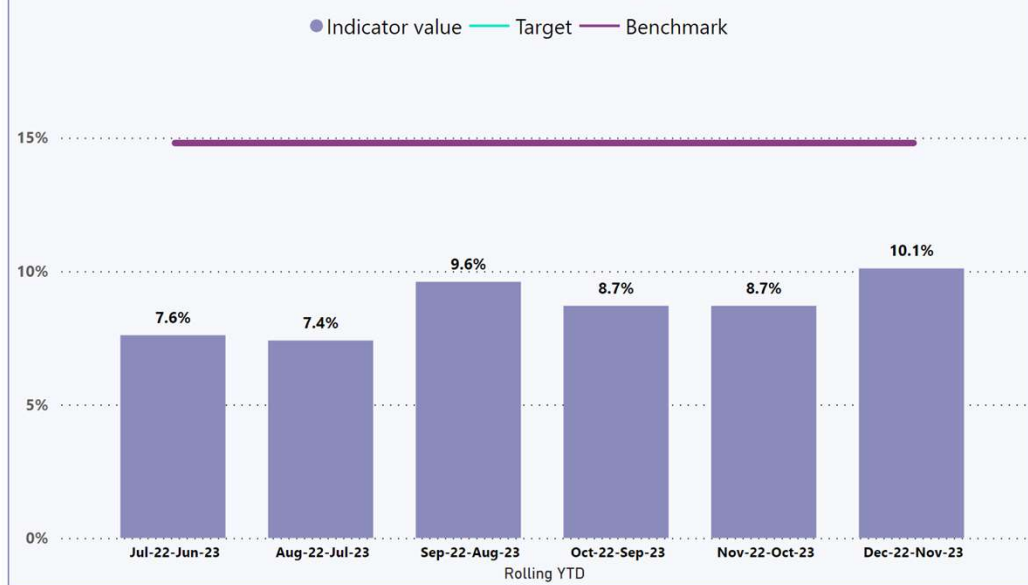
Comment

Performance declined in November due to increased call volumes (linked to storm and an increase in heating repairs) and staff shortages due to sickness. A staffing resource plan has been developed for the New Year (January 2024) to ensure staffing levels are adequate and reflect requirements for busy periods. We are monitoring the call wait times daily.

Staff Turnover rate (FTE who have left in the past 12 months divided by the total permanent staff)



Staff Turnover rate - enforced turnover (redundancy or other forms of dismissal)



Indicator Ref.
M11a

Comment

Outcome 1
The Council Balances its books, listens to residents and delivers good sustainable services

Directorate
All directorates

RAG status - N/A

Benchmarking timeframe
2021/22 London average

Indicator Ref.
M11b

Comment

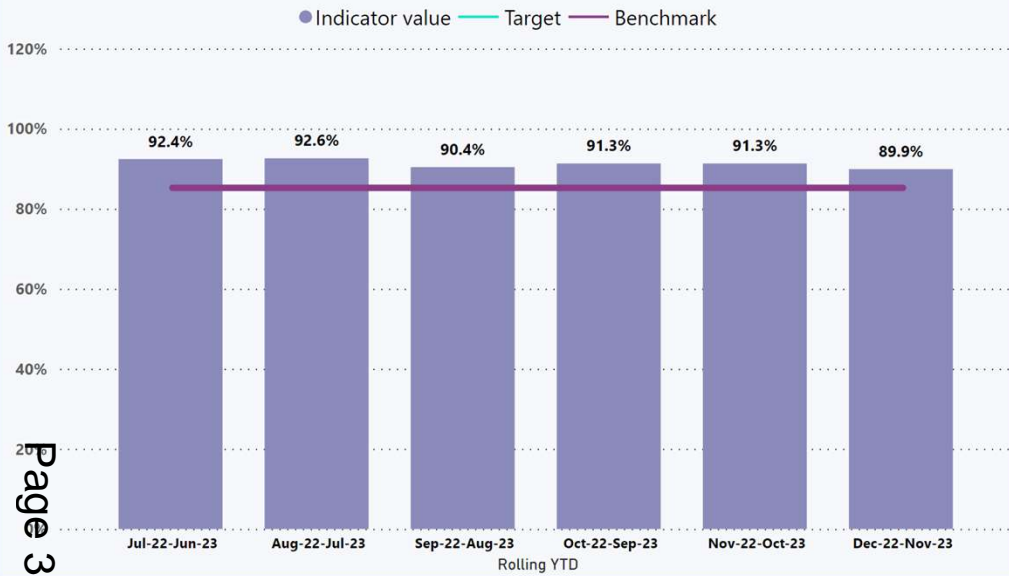
Outcome 1
The Council Balances its books, listens to residents and delivers good sustainable services

Directorate
All directorates

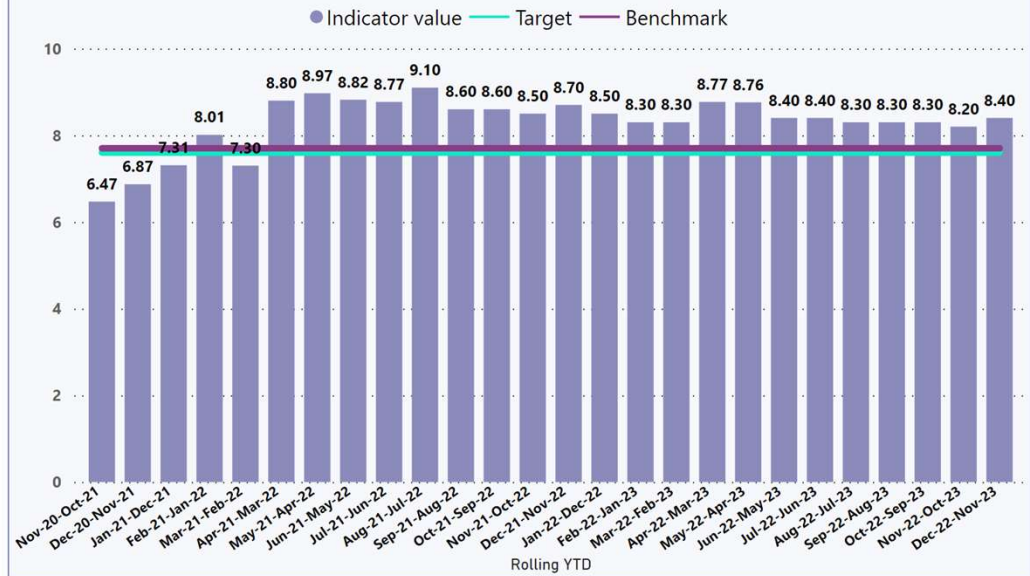
RAG status - N/A

Benchmarking timeframe
2021/22 London average

Staff Turnover rate - natural turnover (staff leaving from resignation)



Sickness - number of sick days per FTE



Indicator Ref.
M11c

Comment

Outcome 1
The Council Balances its books, listens to residents and delivers good sustainable services

Directorate
All directorates

RAG status - N/A

Benchmarking timeframe
2021/22 London average

Indicator Ref.
M12

Comment
The last 12 months has seen a gradual and slight decrease in the sickness rate which was at a high of over 9 days per head per year. Management actions such as implementing regular monthly DMT-level sickness review panels is a factor in the reduction of the absence rate. The panels review sickness data dashboards on a monthly basis to identify areas of the council where there are concerning absence trends. The panels also review (in confidence) concerning individual employee sickness cases to ensure a fair, timely and robust application of the council's managing sickness absence policy. The policy is also being reviewed and simplified and has been considered by Workforce ICB to ensure it is as straightforward as possible for managers to follow.

The Workforce ICB receives quarterly key workforce metrics dashboards, including sickness absence data and trends, to ensure there is high-level monitoring and overview of management actions to reduce sickness absence across the council. Further work is being completed in Oracle to improve sickness reporting, including delineating long term and short-term absence, improving categorisation, and benchmarking good practice with other London boroughs.

The most common reason for absence is mental health-related absence. Further work is being completed to differentiate in the data reporting work-related mental health absence from non-work-related mental health absence. This will be utilised to focus on areas where there are higher the average rates of mental health absence and to put in place appropriate controls and actions.

Outcome 1
The Council Balances its books, listens to residents and delivers good sustainable services

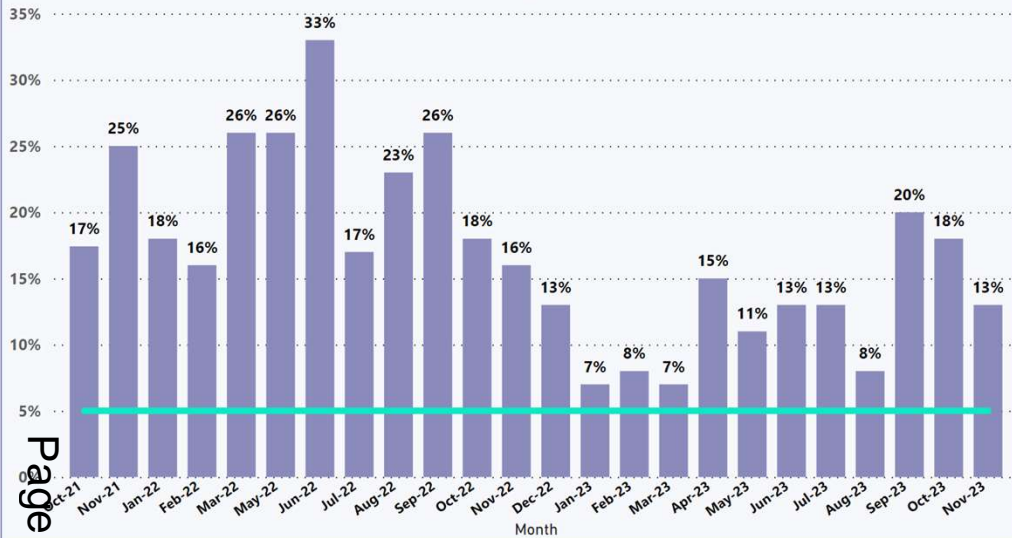
Directorate
All directorates

RAG status - Red

Benchmarking timeframe
Rolling Year to Mar 21 (London position)

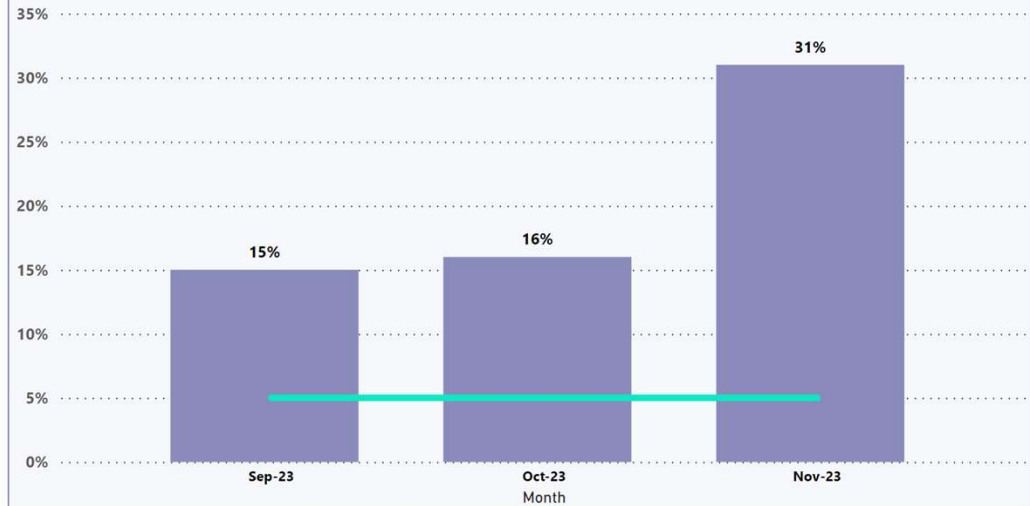
% of residents that ended the call before we spoke to them

● Indicator value — Target — Benchmark



% of residents that ended the call before we spoke to them (Responsive repairs call centre only)

● Indicator value — Target — Benchmark



Indicator Ref.
M13

Outcome 1
The Council Balances its books, listens to residents and delivers good sustainable services

Directorate
Assistant Chief Executive

RAG status - Red

Benchmarking timeframe
No comparable data available

Comment
A 5% improvement from October due to increased training for staff to enable them to respond to more services. We are constantly recruiting staff and look to fill vacancies as soon as possible. Resourcing was better in November and less calls overall were received.

Indicator Ref.
M13a

Outcome 1
The Council Balances its books, listens to residents and delivers good sustainable services

Directorate
Housing

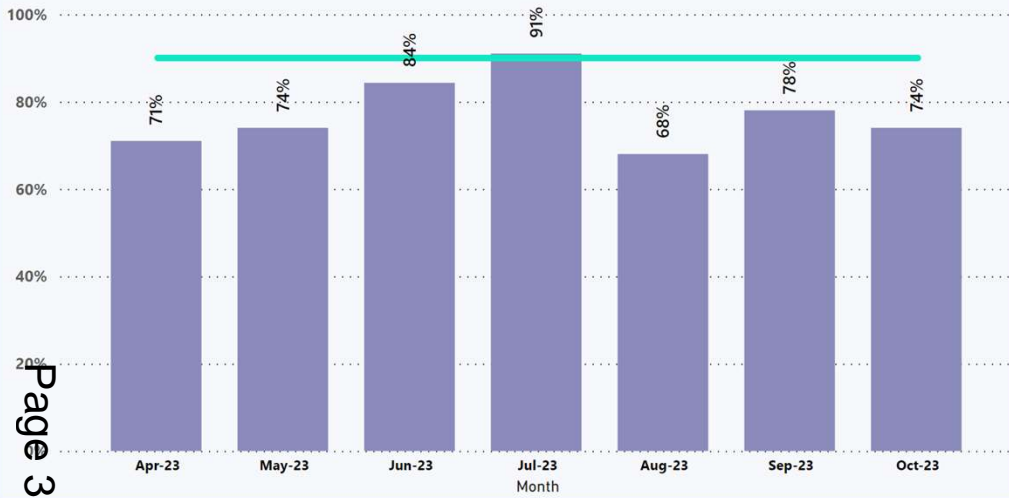
RAG status - Red

Benchmarking timeframe
No comparable data available

Comment
The Contact Centre is now insourced and has enabled residents to contact the Council directly. In November our performance was however significantly impacted by a high level of sickness. Call volumes for repairs also increased during this period (an increase of 3000 calls per month from September) due to the colder weather. Lack of data from the previous contractor regarding call volumes made assessing initial resources required in the Contact Centre very difficult. A Staffing Resource Plan has now been developed from January 2024 to ensure staffing levels are adequate for delivery of the service including in higher demand periods.

FOI responded to on time

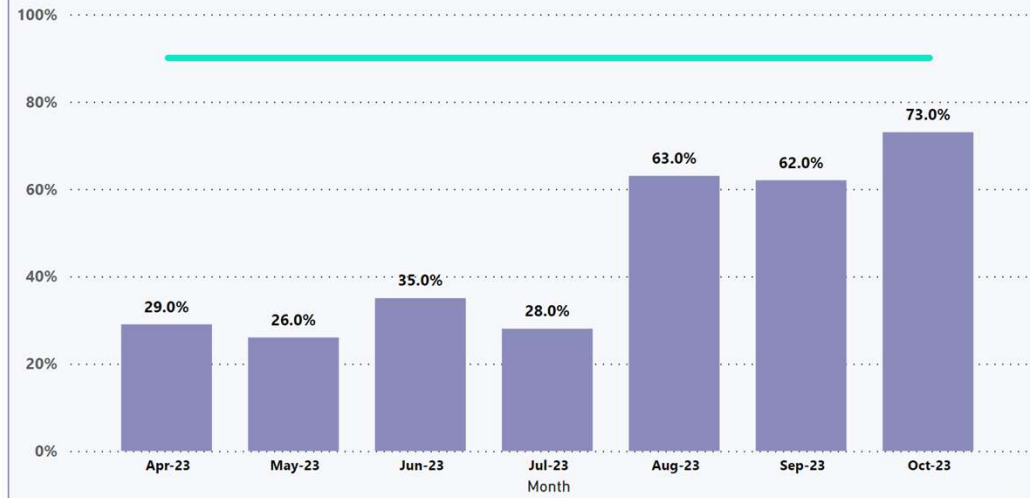
● Indicator value — Target — Benchmark



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SARs responded to on time

● Indicator value — Target — Benchmark



Indicator Ref.
M14

Comment

Outcome 1
The Council Balances its books, listens to residents and delivers good sustainable services

Directorate
All directorates

RAG status - Red

Benchmarking timeframe
No comparable data available

Indicator Ref.
M15

Comment

Outcome 1
The Council Balances its books, listens to residents and delivers good sustainable services

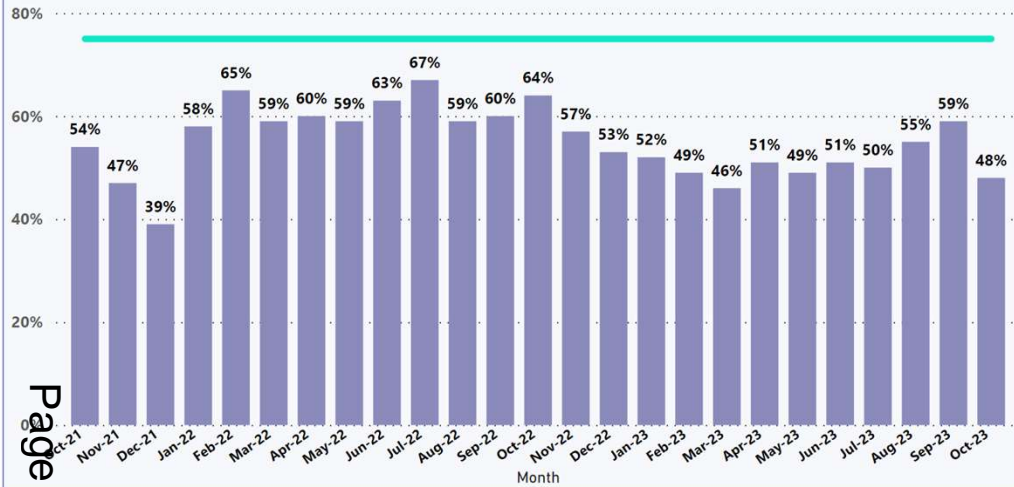
Directorate
All directorates

RAG status - Red

Benchmarking timeframe
No comparable data available

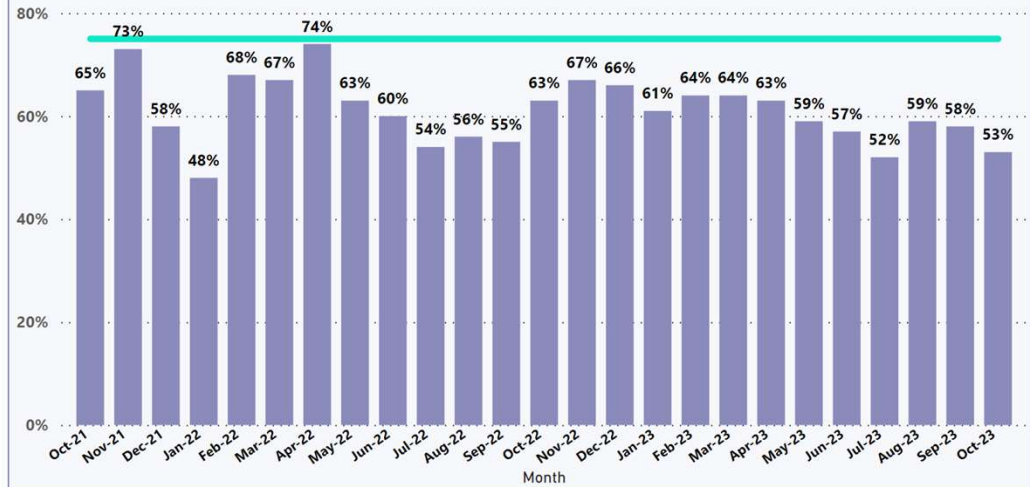
Complaints responded to on time

● Indicator value — Target — Benchmark



Member Enquiries responded to on time

● Indicator value — Target — Benchmark



Indicator Ref.
M16

Comment

The corporate complaints team report weekly to the organisation on performance, quarterly with Directors and CMT and yearly reporting to scrutiny. They provide training and support to those responsible for answering complaints. The response times sit within individual services and it the accountability sits with those services. Currently the main concerns around this KPI sit within the housing and SCRER directorates with the majority of overdue complaints sitting within those areas. Each are aware and improvement plans to address these issues is required. Complaints improvements sit within the wider recovery plans and the improvement panel exit plan. Some small improvements have been made in some teams but overall the performance is deteriorating.

Outcome 1
The Council Balances its books, listens to residents and delivers good sustainable services

Directorate
All directorates

RAG status - Red

Benchmarking timeframe
No comparable data available

Indicator Ref.
M17

Comment

Numbers received have reduced slightly which has improved response times. The corporate complaints team continue to work with services to improve response times. A working group has been established to look at how further improvements can be made to streamline enquiries received and improve the current system.

Outcome 1
The Council Balances its books, listens to residents and delivers good sustainable services

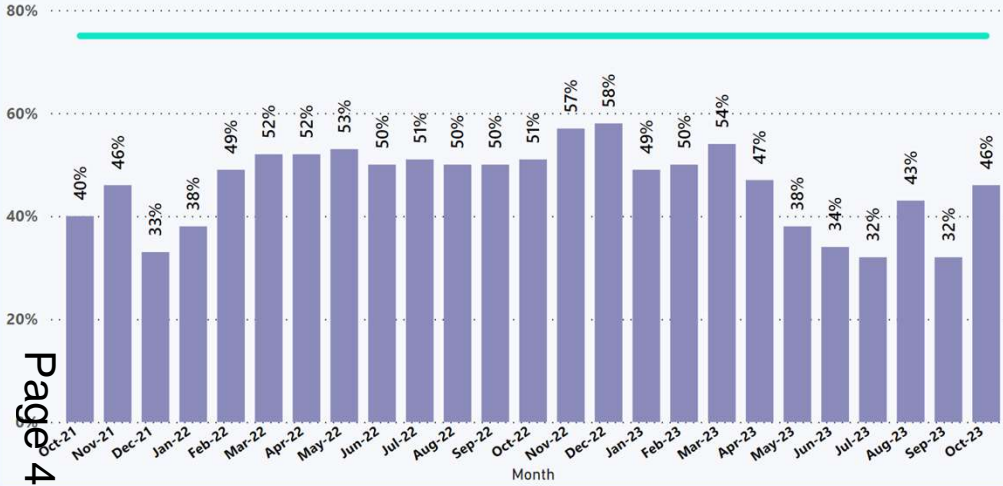
Directorate
All directorates

RAG status - Red

Benchmarking timeframe
No comparable data available

MP enquiries responded to on time

● Indicator value — Target — Benchmark



Indicator Ref.
M18

Outcome 1
The Council Balances its books, listens to residents and delivers good sustainable services

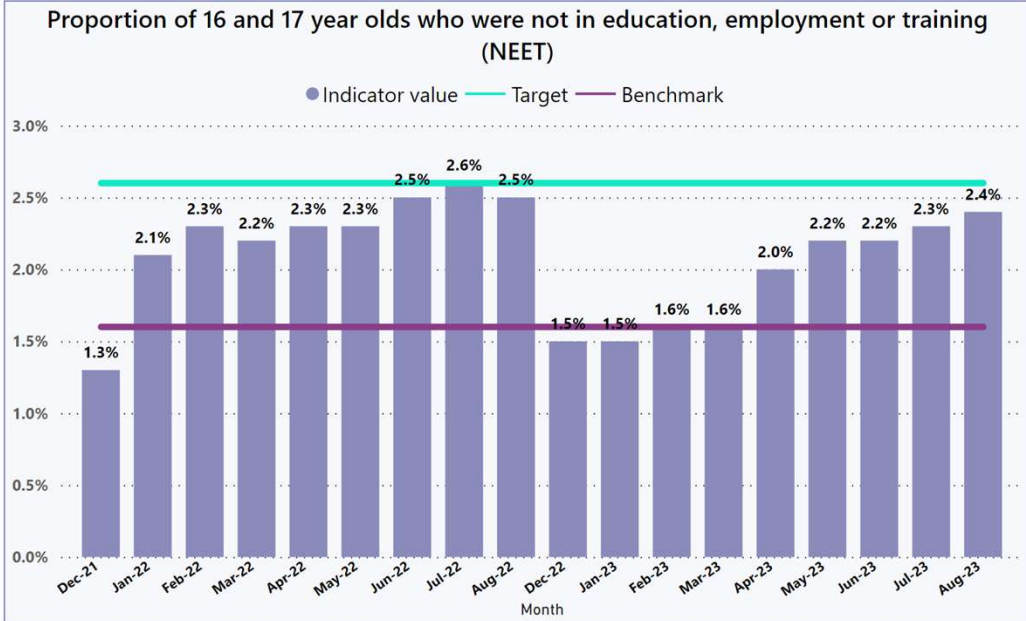
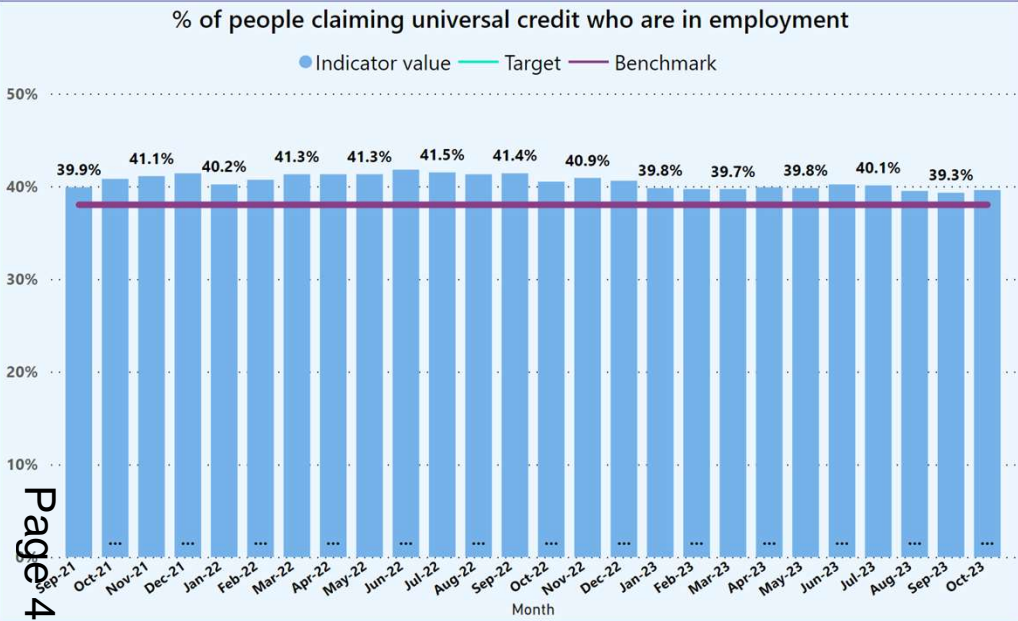
Directorate
All directorates

RAG status - Red

Benchmarking timeframe
No comparable data available

Comment
All members enquiries are raised through the members app which means a consistent approach and a visibility of what casework is outstanding. Performance has dropped this month and the corporate complaint team continue to report weekly and work with services to increase response times.

2. Croydon is a place of opportunity for business, earning and learning



Indicator Ref.
M19

Outcome 2
Croydon is a place of opportunity for business, earning and learning

Directorate
Partnership working

RAG status - N/A

Benchmarking timeframe
October 2023 (London average)

Comment
The employment, skills & economic development team are working with the South London Partnership and the Croydon Employment & Skills Network to provide a coordinated response to tackling in work poverty through lifelong learning and employment opportunities (Croydon Works, CALAT)

Indicator Ref.
M20

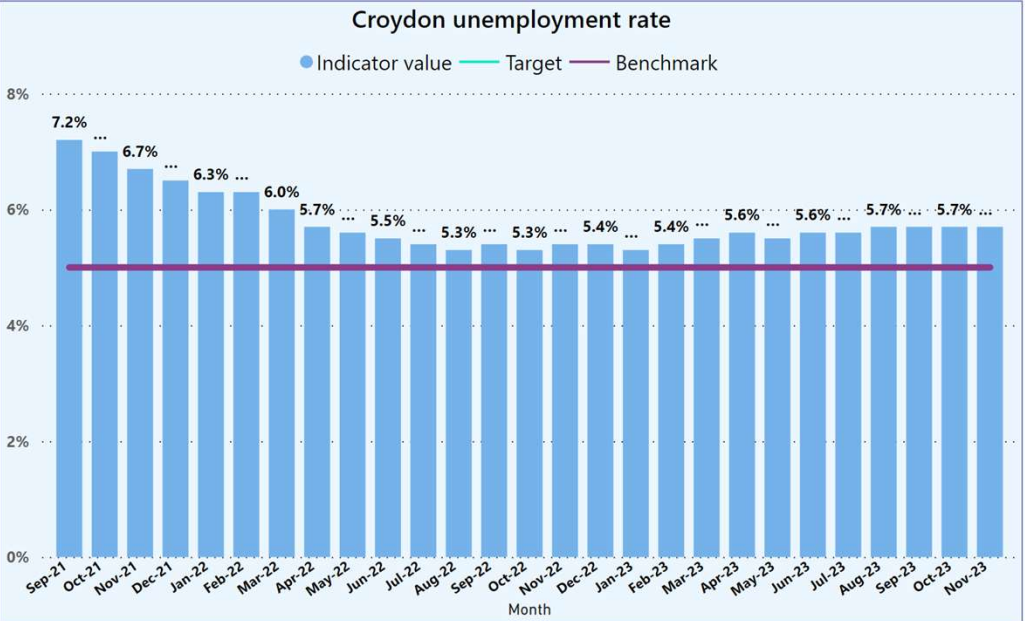
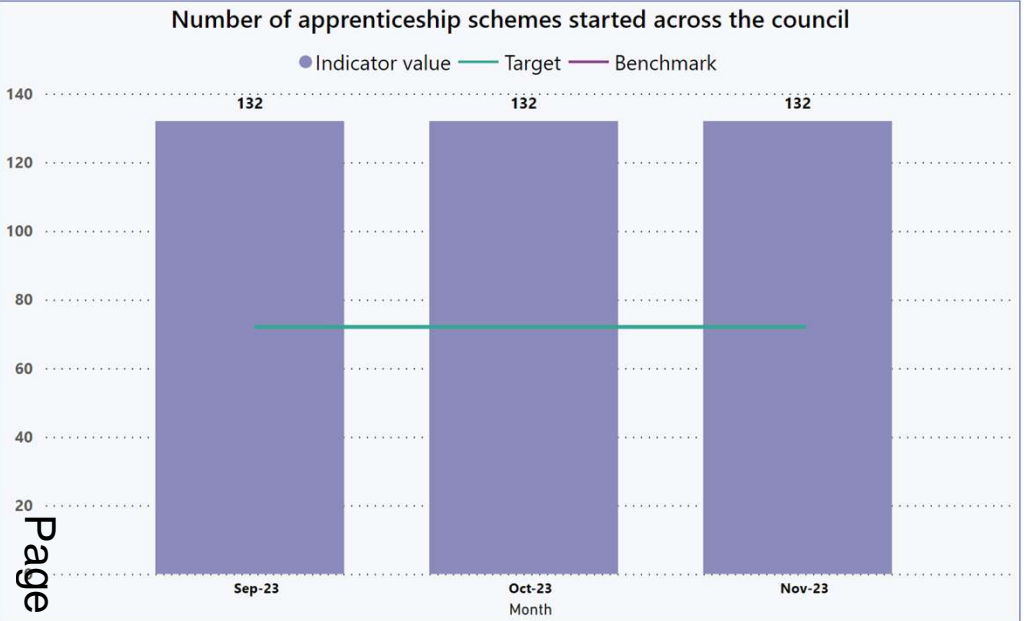
Outcome 2
Croydon is a place of opportunity for business, earning and learning

Directorate
Children, Young People and Education

RAG status - Green

Benchmarking timeframe
Average of Dec 22, Jan 23 and Feb 23 (London position)

Comment



Indicator Ref.
M21

Comment

Outcome 2
Croydon is a place of opportunity for business, earning and learning

Directorate
Sustainable Communities, Regen & Economic Recovery

RAG status - Green

Benchmarking timeframe
No comparable data available

Indicator Ref.
M22

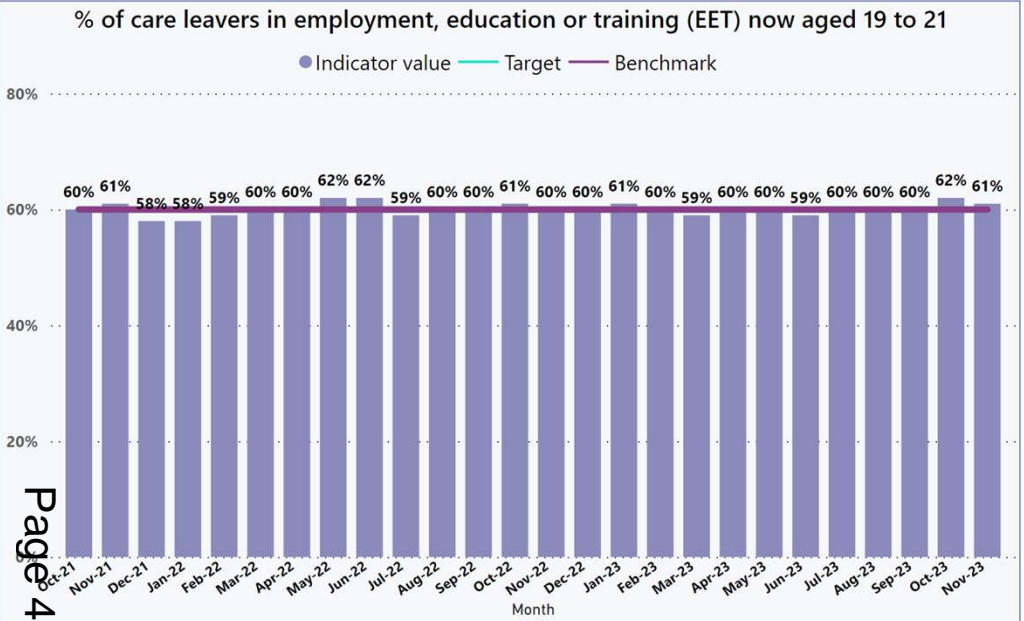
Comment
The employment, skills & economic development team are working with the South London Partnership and the Croydon Employment & Skills Network to provide a coordinated programmed response to support economically inactive into work (funded by UK Shared Prosperity Fund, DWP AEB). Croydon works has placed 63 people into London Living wage work since Apr 2023.

Outcome 2
Croydon is a place of opportunity for business, earning and learning

Directorate
Partnership working

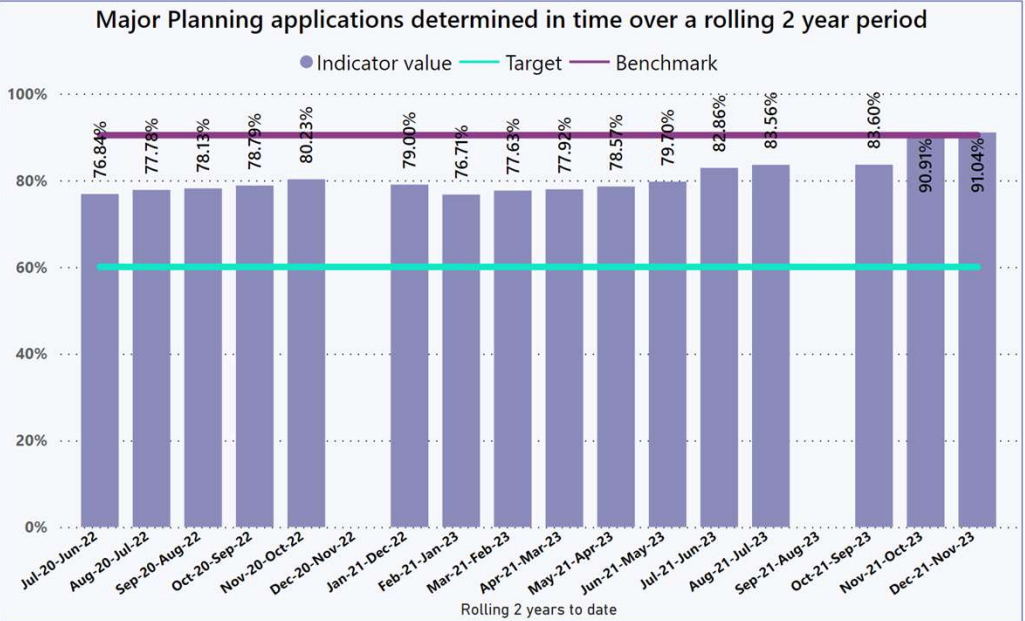
RAG status - N/A

Benchmarking timeframe
Nov 2023 (London position)



Indicator Ref. M23
Outcome 2 Croydon is a place of opportunity for business, earning and learning
Directorate Children, Young People and Education
RAG status - Green
Benchmarking timeframe 2022/23 (London position)

Comment

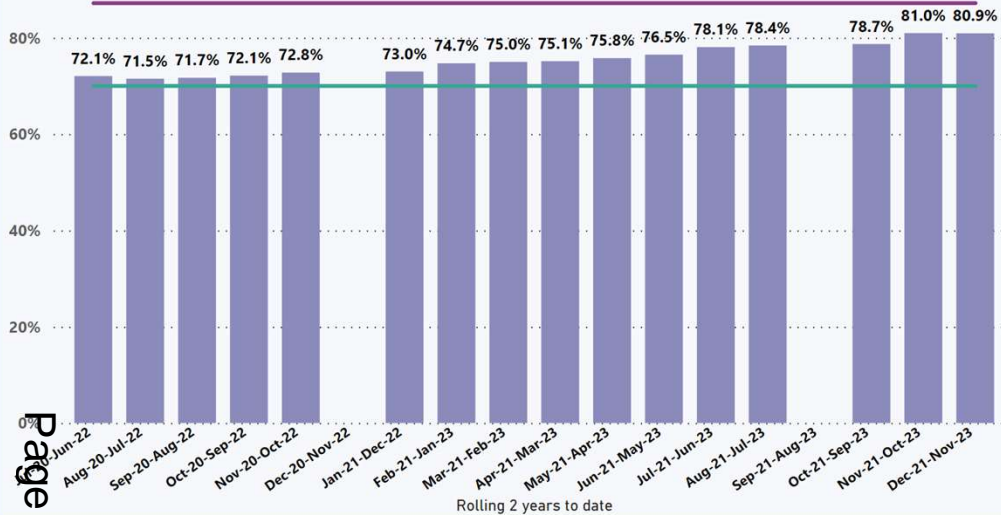


Indicator Ref. M24
Outcome 2 Croydon is a place of opportunity for business, earning and learning
Directorate Sustainable Communities, Regen & Economic Recovery
RAG status - Green
Benchmarking timeframe 24 months to end of March 2022 (London position)

Comment Current performance on Major applications remains above the government target which is positive. November saw a very minor improvement in the level of performance 0.1% over that achieved in October. This improvement is due to the continuation of consistent decision making and a previous quarter with a lower level of performance falling out of the measurable period. The performance achieved by the team is now slightly above that being achieved across London.
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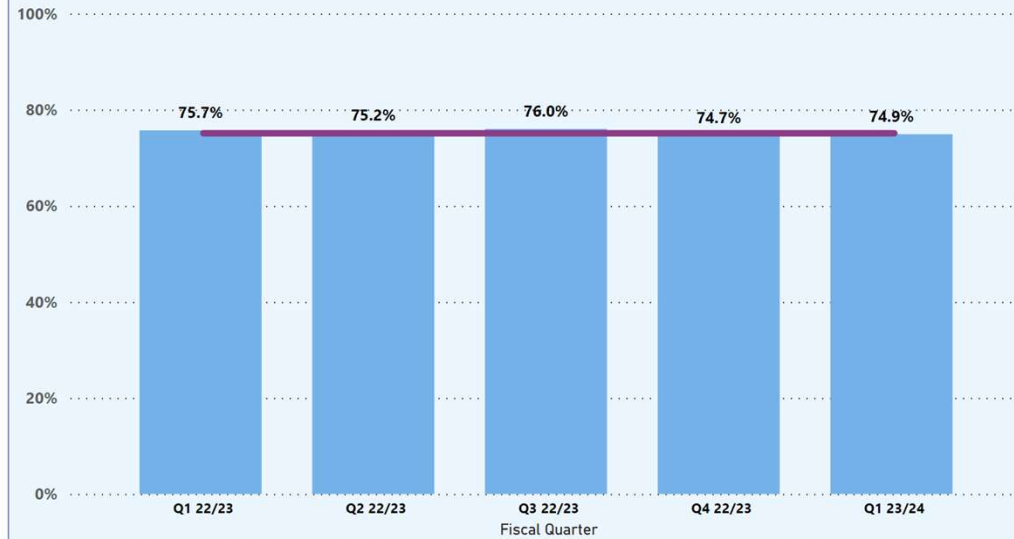
Non- Major Planning applications determined in time over a rolling 2 year period

● Indicator value — Target — Benchmark



Employment rate (% of 16-64 year olds in employment)

● Indicator value — Target — Benchmark



Indicator Ref.
M25

Outcome 2
Croydon is a place of opportunity for business, earning and learning

Directorate
Sustainable Communities, Regen & Economic Recovery

RAG status - Green

Benchmarking timeframe
24 months to end of March 2022 (London position)

Comment
Performance October has seen a small decrease in performance to that reported in October reduction of (0.1%) It should be noted that this target relates to a large number of applications and therefore it takes a significant number of decisions determined in time to increase the performance over the 2 year rolling period. Whilst the performance has reduced slightly, the level being achieved is pretty consistent with the previous month. As previously reported the Planning Advisory Service undertook a Development Management review and Peer Challenge in the Summer of 2022. Their findings have now been received and the Team are in the process of reviewing and starting to formulate a Transformation Plan for Development Management.

Indicator Ref.
M86

Outcome 2
Croydon is a place of opportunity for business, earning and learning

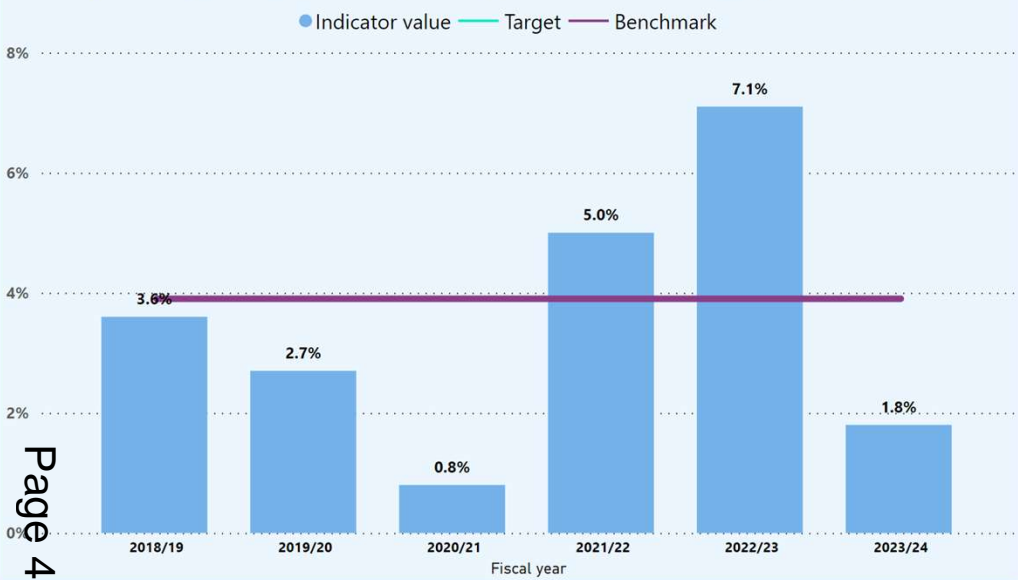
Directorate
Partnership working

RAG status - N/A

Benchmarking timeframe
2023/24 Q1 (London position)

Comment

Annual percentage change in weekly earnings (£) for full time employed Croydon residents.



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Indicator Ref.
M87

Outcome 2
Croydon is a place of opportunity for business, earning and learning

Directorate
Partnership working

RAG status - N/A

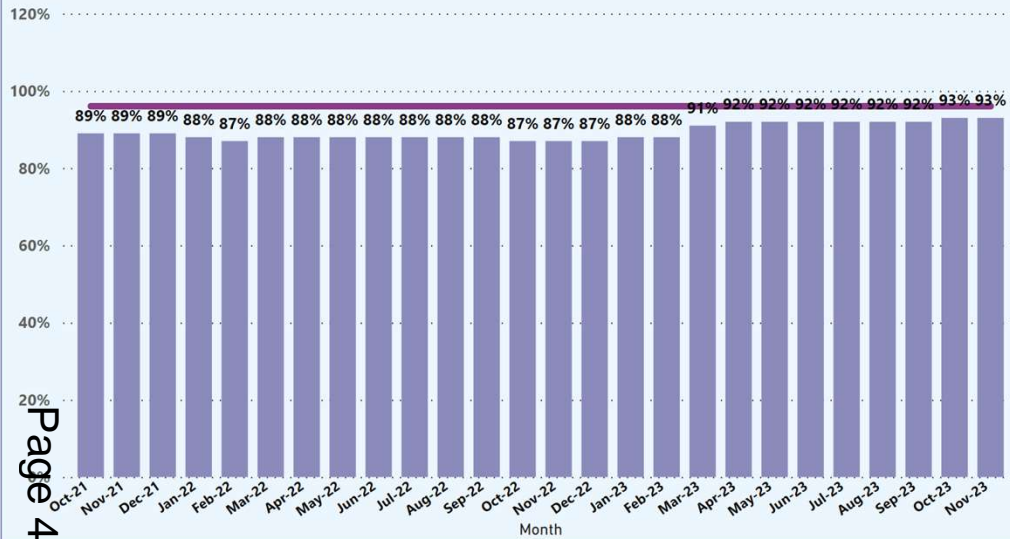
Benchmarking timeframe
Difference between 2022 and 2023 (London position)

Comment

3. Every child and young person in Croydon has the chance to thrive, learn and fulfil their potential

Percentage of schools rated 'good' or 'outstanding'

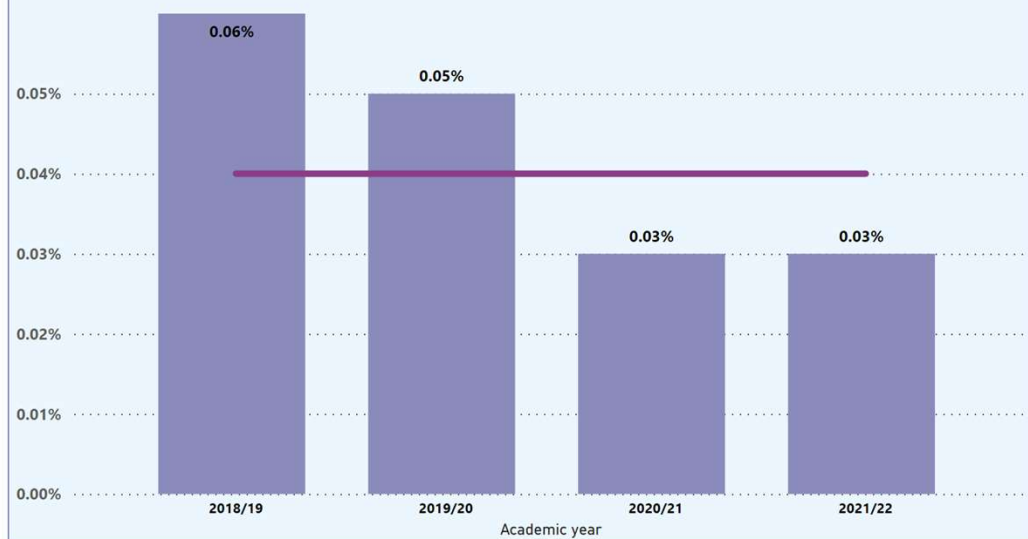
● Indicator value — Target — Benchmark



Page 48

Permanent exclusions from schools as a percentage of the school population

● Indicator value — Target — Benchmark



Indicator Ref.
M26

Outcome 3
Every child and young person in Croydon has the chance to thrive, learn and fulfil their potential

Directorate
Partnership working

RAG status - N/A

Benchmarking timeframe
November 23 (London position)

Comment

Indicator Ref.
M27

Outcome 3
Every child and young person in Croydon has the chance to thrive, learn and fulfil their potential

Directorate
Council & Partnership working

RAG status - N/A

Benchmarking timeframe
2021/22 Academic Year (London position)

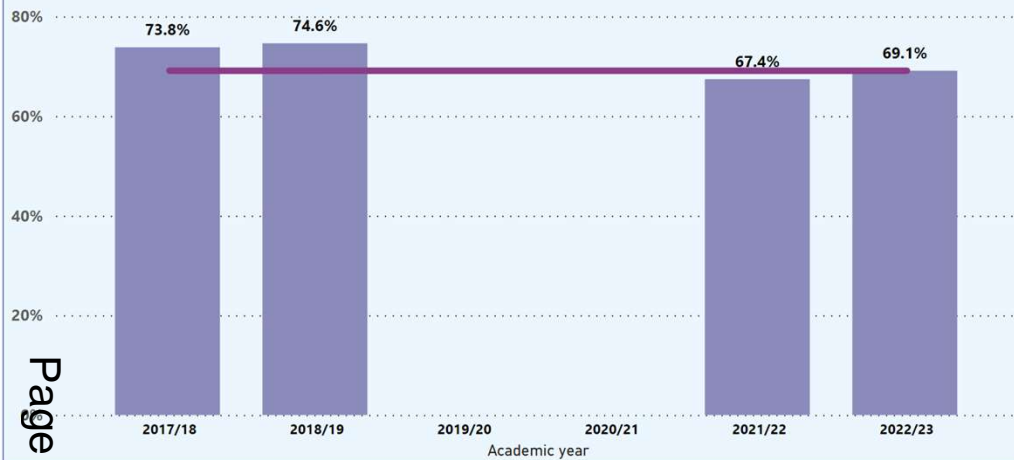
Comment

Like the previous year, the 2020/21 academic year was affected by the COVID-19 pandemic. Schools were open to all pupils in the Autumn term, however during the Spring term schools were only open to key worker and vulnerable children from January for the first half term, before all pupils returned during the second half term. During this period online tuition was provided for pupils. Schools were then open to all pupils during the Summer term.

As with 2019/20, while suspensions and permanent exclusions were possible throughout the academic year, these restrictions will have had an impact on the numbers presented and caution should be taken when comparing across years.

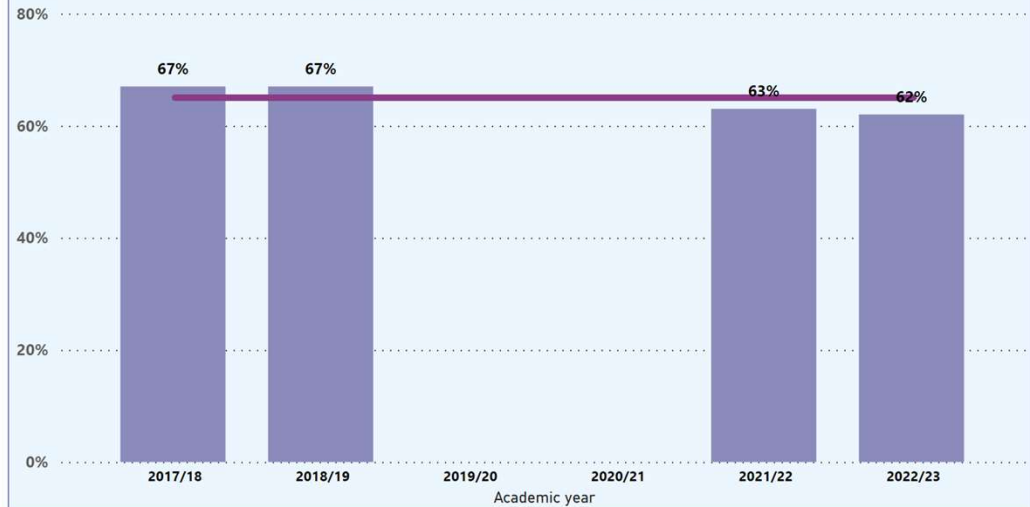
EYFS (Early Years Foundation Stage) - Percentage of children achieving a good level of development

● Indicator value — Target — Benchmark



KS2 - Percentage of pupils achieving expected standard at KS2 in Reading, Writing and Mathematics

● Indicator value — Target — Benchmark



Indicator Ref.
M28

Outcome 3
Every child and young person in Croydon has the chance to thrive, learn and fulfil their potential

Directorate
Partnership working

RAG status - N/A

Benchmarking timeframe
2022/23 Academic Year (London position)

Comment

In 2022/23, the percentage of pupils achieving a good level of development in Croydon was 69.1% which is in line with London and above the national average (67.2%) and our statistical neighbours (68.9%).

Indicator Ref.
M29

Outcome 3
Every child and young person in Croydon has the chance to thrive, learn and fulfil their potential

Directorate
Partnership working

RAG status - N/A

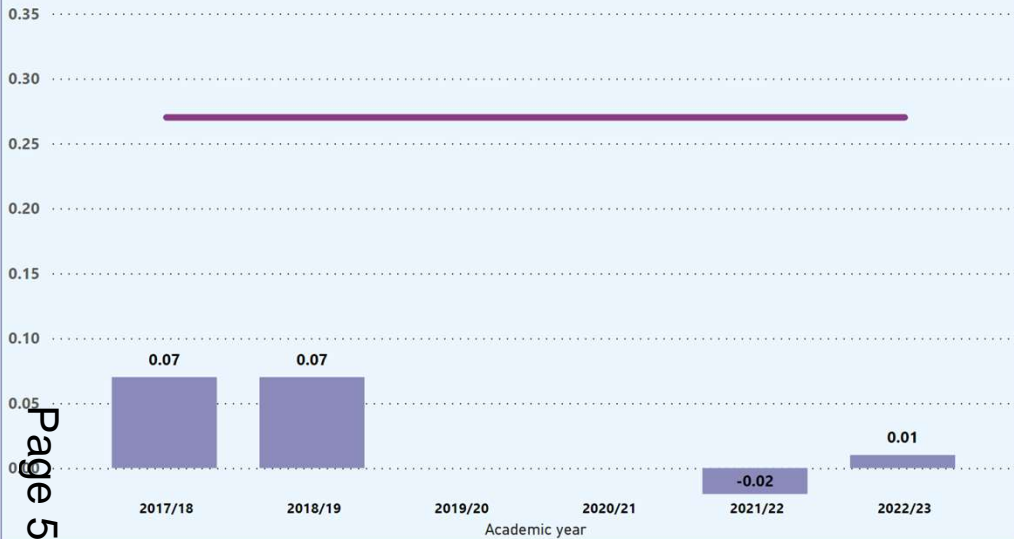
Benchmarking timeframe
2021/22 Academic Year (London position)

Comment

In 2022/23, the percentage of pupils achieving expected standard at KS2 in Reading, Writing and Mathematics in Croydon was 62% which is above the national average (59%) but below London (65%) and our statistical neighbours (68.9%).

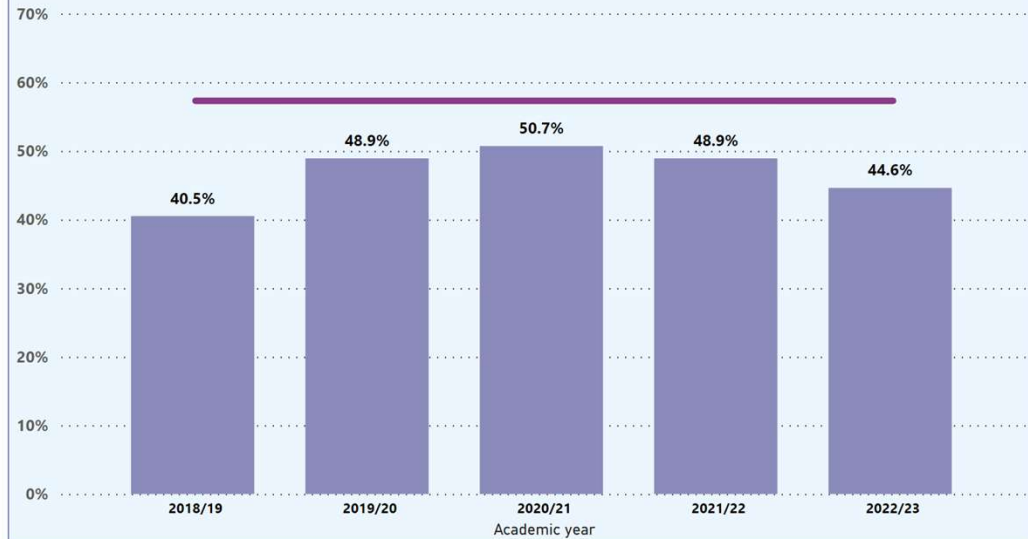
KS4 - Average Progress 8 score per pupil

● Indicator value — Target — Benchmark



KS4 - Percentage of pupils achieving grades 9-5 in English and Maths

● Indicator value — Target — Benchmark



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Indicator Ref.
M30

Outcome 3
Every child and young person in Croydon has the chance to thrive, learn and fulfil their potential

Directorate
Partnership working

RAG status - N/A

Benchmarking timeframe
2022/23 Academic Year (London position)

Comment

In 2022/23 the average Progress 8 score in Croydon was 0.01, slightly better than the national average of -0.03.

Indicator Ref.
M31

Outcome 3
Every child and young person in Croydon has the chance to thrive, learn and fulfil their potential

Directorate
Partnership working

RAG status - N/A

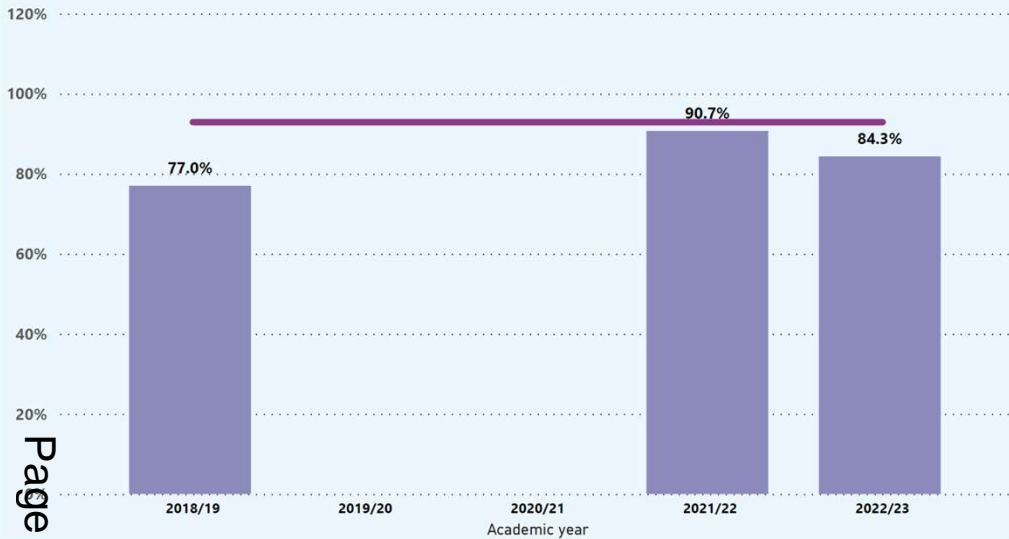
Benchmarking timeframe
2021/22 Academic Year (London position)

Comment

In 2022/23, the percentage of pupils achieving grades 9-5 in English and Maths in Croydon was 44.6%. This is the 3rd lowest compared to our statistical neighbours, and slightly below the national average. 64.3% of pupils gained at least a grade 4 in English and Maths in Croydon.

KS5 - % of students achieving at least 2 substantial level 3 qualifications

● Indicator value — Target — Benchmark



Indicator Ref.
M32

Outcome 3
Every child and young person in Croydon has the chance to thrive, learn and fulfil their potential

Directorate
Partnership working

RAG status - N/A

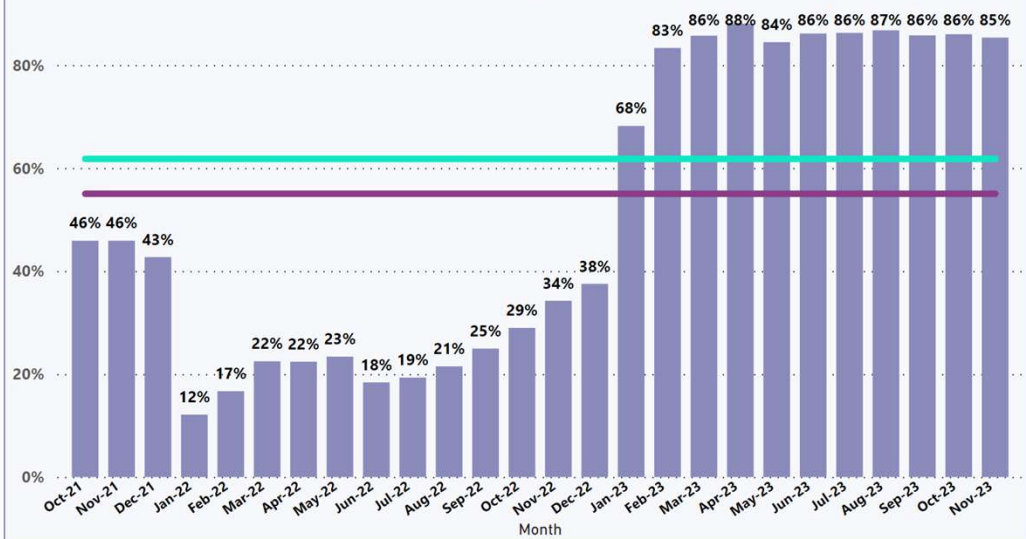
Benchmarking timeframe
2022/23 Academic Year (London position)

Comment

Level 3 (KS5) results in Croydon have been below benchmark comparators for many years, partly due to the extensive FE offer in the borough below level 3 which attracts high proportion of young people undertaking a more hybrid programme of study, e.g. a combination of L2 and L3 quals, rather than a traditional full level 3 programme. Support to schools is offered by 2 specialist secondary improvement advisers, predominantly on a traded basis. However, as most post-16 establishments in Croydon are academies or colleges, there are some limitations in the LA's influence – The establishment of the Croydon Education Partnership will enable a collegiate approach to improving outcomes at all key stages.

Percentage of Education Health & Care Plans issued within 20 weeks (excluding exceptions)

● Indicator value — Target — Benchmark



Indicator Ref.
M33

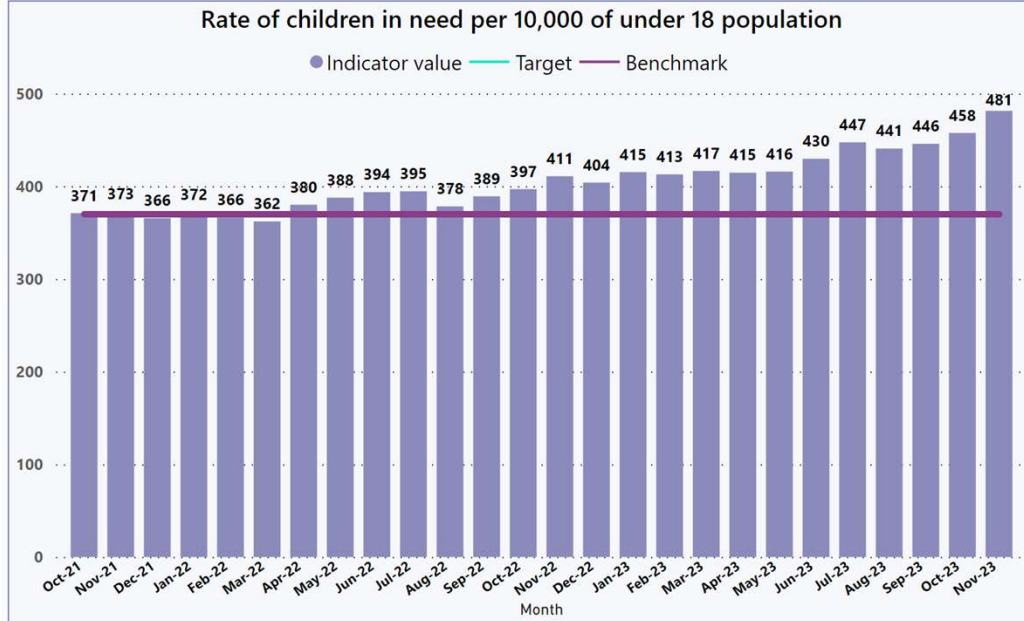
Outcome 3
Every child and young person in Croydon has the chance to thrive, learn and fulfil their potential

Directorate
Children, Young People and Education

RAG status - Green

Benchmarking timeframe
2022 (London position)

Comment



Indicator Ref.
M34

Comment

Outcome 3
Every child and young person in Croydon has the chance to thrive, learn and fulfil their potential

Directorate
Children, Young People and Education

RAG status - Green

Benchmarking timeframe
No comparable data available

Indicator Ref.
M35

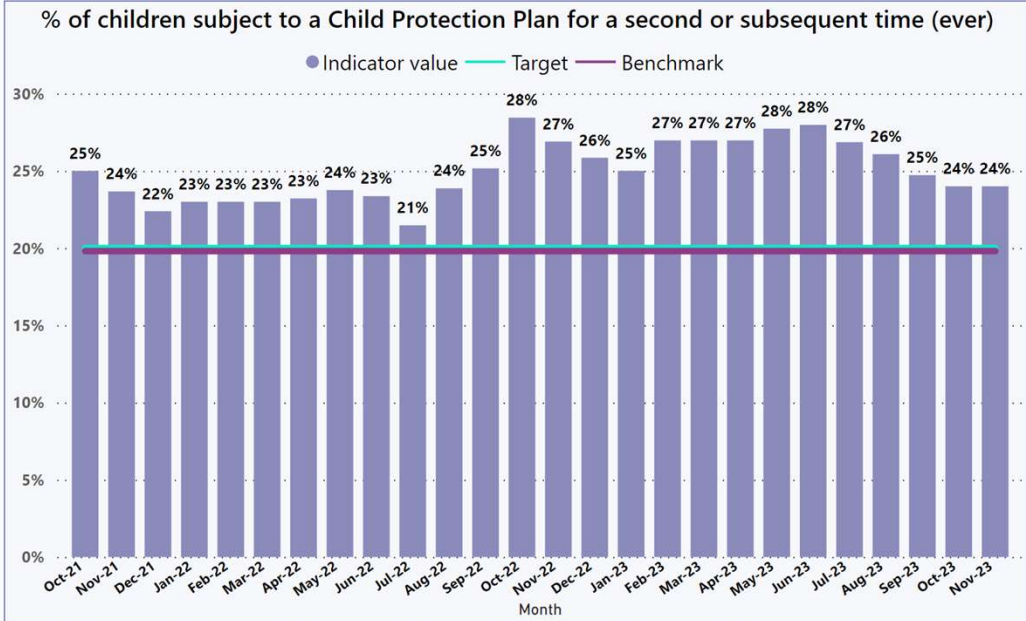
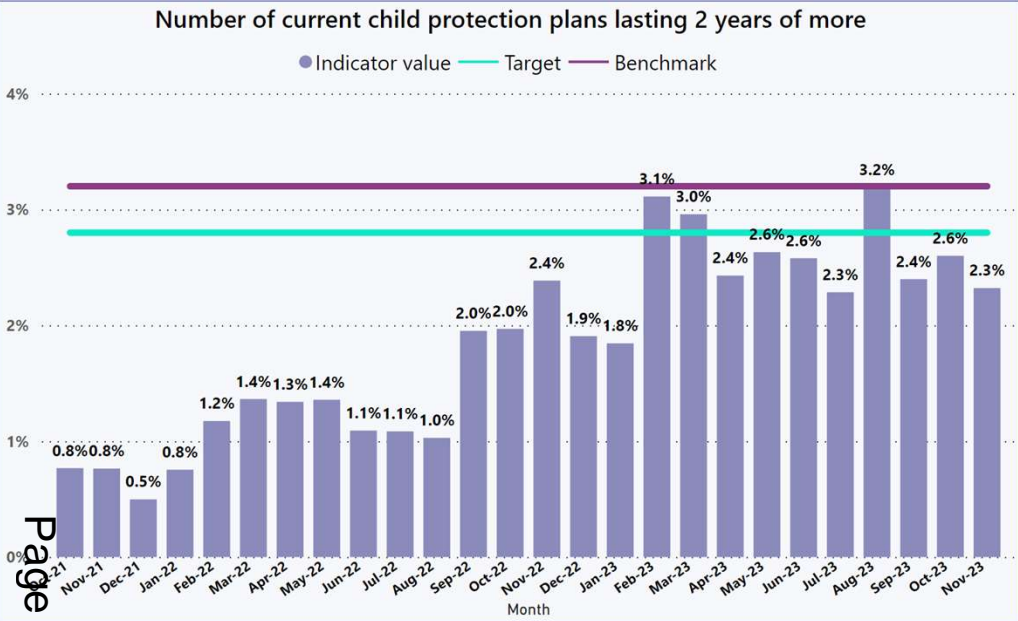
Comment
The performance team are working with the service to agree target.

Outcome 3
Every child and young person in Croydon has the chance to thrive, learn and fulfil their potential

Directorate
Children, Young People and Education

RAG status - N/A

Benchmarking timeframe
2022/23 (London position)



Indicator Ref. M36

Comment

Outcome 3
Every child and young person in Croydon has the chance to thrive, learn and fulfil their potential

Directorate
Children, Young People and Education

RAG status - Green

Benchmarking timeframe
2022/23 (London position)

Indicator Ref. M37

Comment

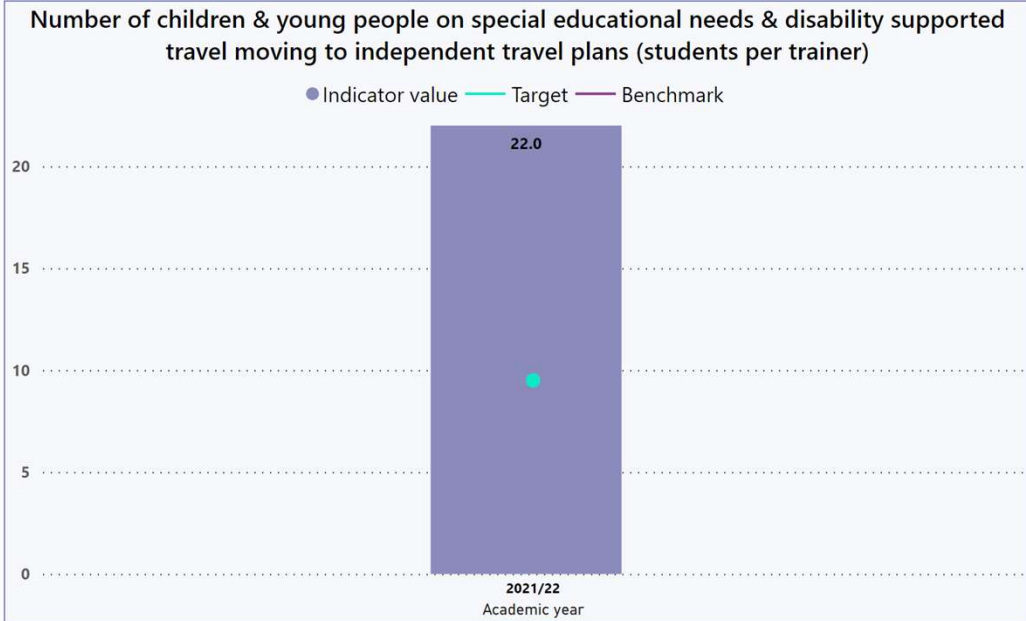
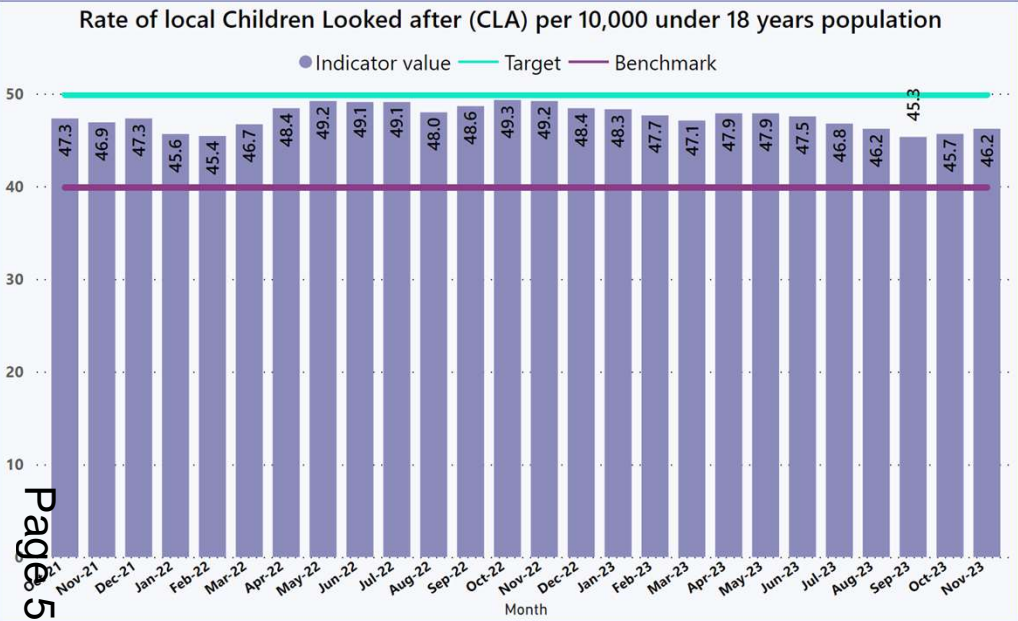
Outcome 3
Every child and young person in Croydon has the chance to thrive, learn and fulfil their potential

A comprehensive improvement plan is being implemented across the services to bring this measure down to the level of statistical neighbours and within target including head of service oversight of all children who become subject of a child protection (CP) plan for a second or subsequent plan and there has also been an audit of all children subject of a CP plan including this cohort. As the usual duration of a CP plan is 12-18 months it is important to note that sustained improvement is expected to be evidenced over the next 3-6 months. The rate of progression may also be impacted by the initiation of a repeat CP plans for large families as has been the case in November 2023 (including one of 7 children).

Directorate
Children, Young People and Education

RAG status - Red

Benchmarking timeframe
2022/23 (London position)



Indicator Ref. M38
Outcome 3 Every child and young person in Croydon has the chance to thrive, learn and fulfil their potential
Directorate Children, Young People and Education
RAG status - Green
Benchmarking timeframe 2021/22 (London position)

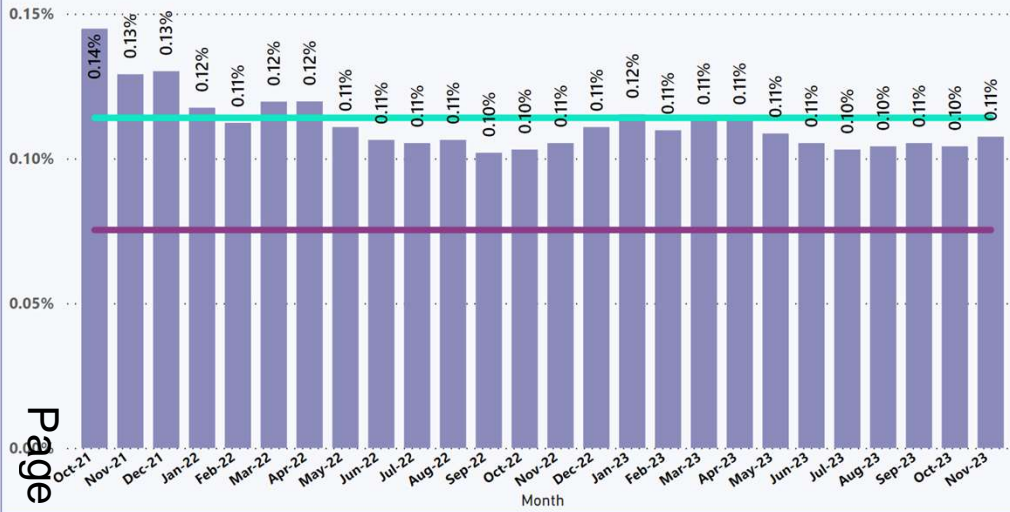
Comment

Indicator Ref. M39
Outcome 3 Every child and young person in Croydon has the chance to thrive, learn and fulfil their potential
Directorate Children, Young People and Education
RAG status - Green
Benchmarking timeframe No comparable data available

Comment

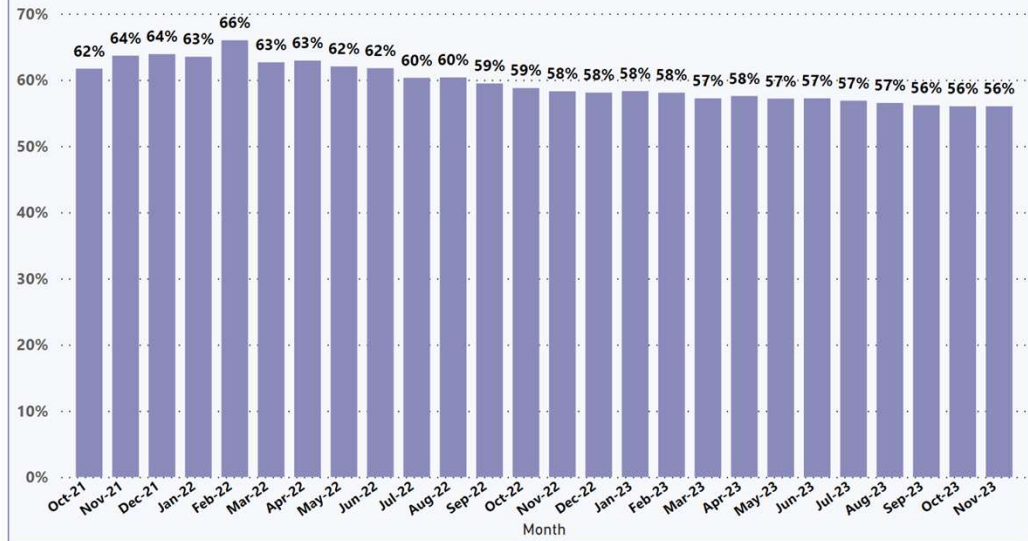
Percentage of the under 18 years population who are UASC

● Indicator value — Target — Benchmark



Percentage of Care Experienced young people who were formerly UASC

● Indicator value — Target — Benchmark



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Indicator Ref.
M40

Comment

Outcome 3
Every child and young person in Croydon has the chance to thrive, learn and fulfil their potential

Directorate
Children, Young People and Education

RAG status - Green

Benchmarking timeframe
2021/22 (London position)

Indicator Ref.
M41

Comment
There is no target because this is a monitoring indicator to follow the progress in delivering M40.

Outcome 3
Every child and young person in Croydon has the chance to thrive, learn and fulfil their potential

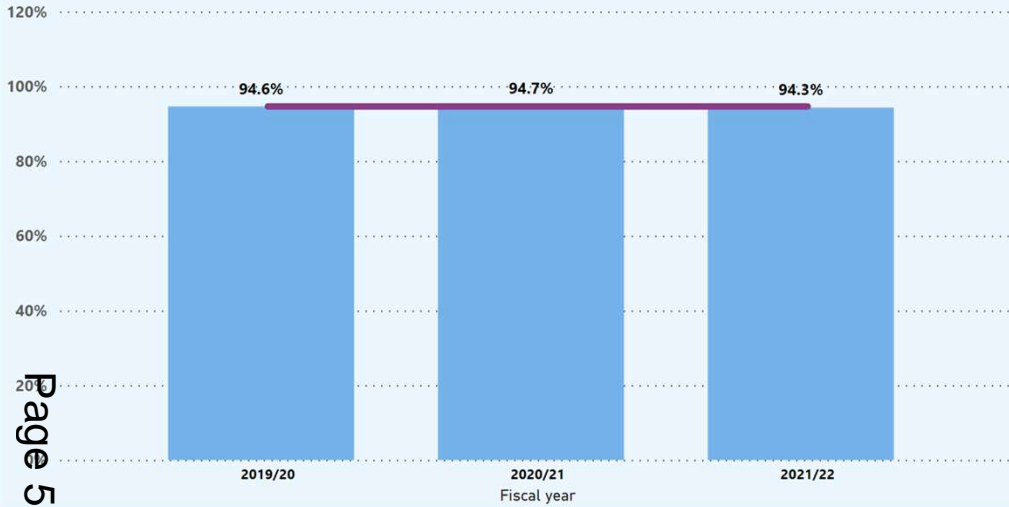
Directorate
Children, Young People and Education

RAG status - N/A

Benchmarking timeframe
No comparable data available

Percentage of 16-18 year olds completing study who go on to Sustained education, apprenticeship or employment

● Indicator value — Target — Benchmark



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Indicator Ref.
M88

Outcome 3
Every child and young person in Croydon has the chance to thrive, learn and fulfil their potential

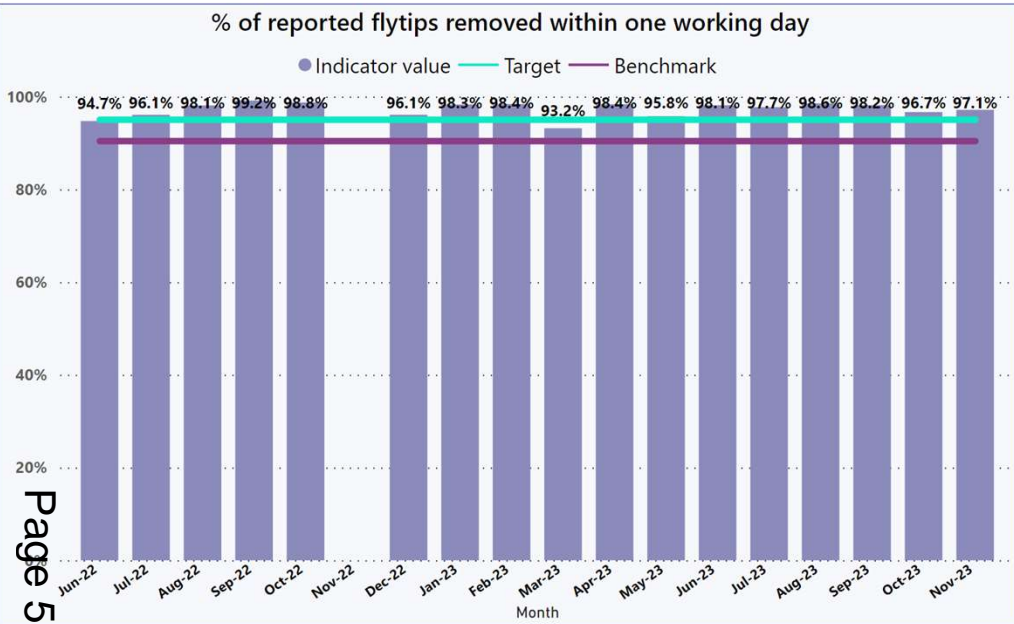
Directorate
Partnership working

RAG status - N/A

Benchmarking timeframe
2021/22 (London position)

Comment

4. Croydon is a cleaner, safer and healthier place, a borough to be proud to call home



Indicator Ref.
M43

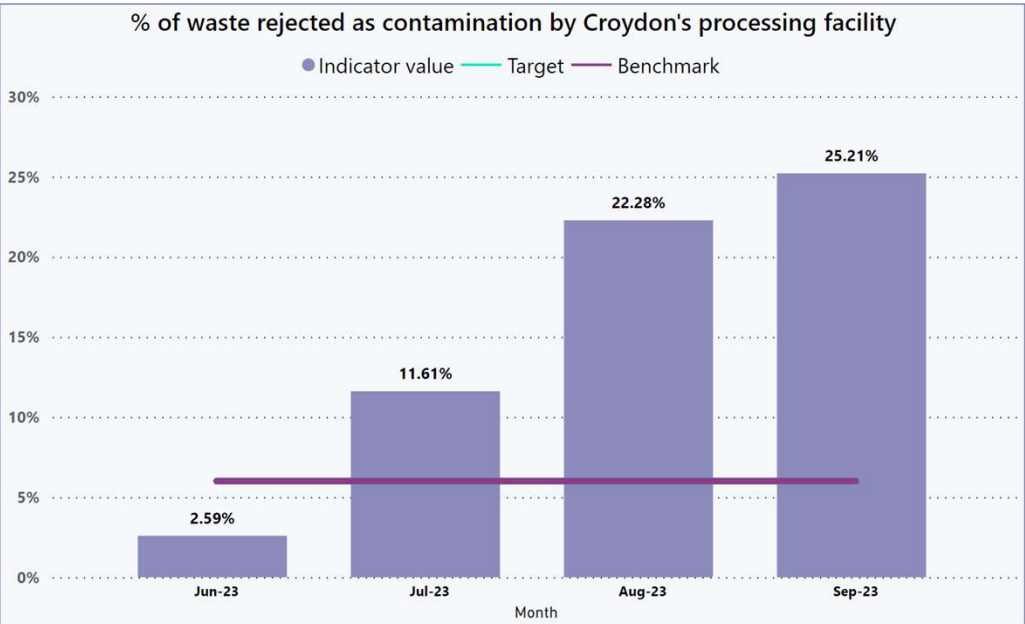
Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

Directorate
Sustainable Communities, Regen & Economic Recovery

RAG status - Green

Benchmarking timeframe
24 months to end of March 2022 (London position)

Comment
There continues to be a sustained increase in the overall level of fly tipping. This month a total of 3,326 reported fly tips were collected of which 97% were cleared within 24 hours of reporting.



Indicator Ref.
M44

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

Directorate
Sustainable Communities, Regen & Economic Recovery

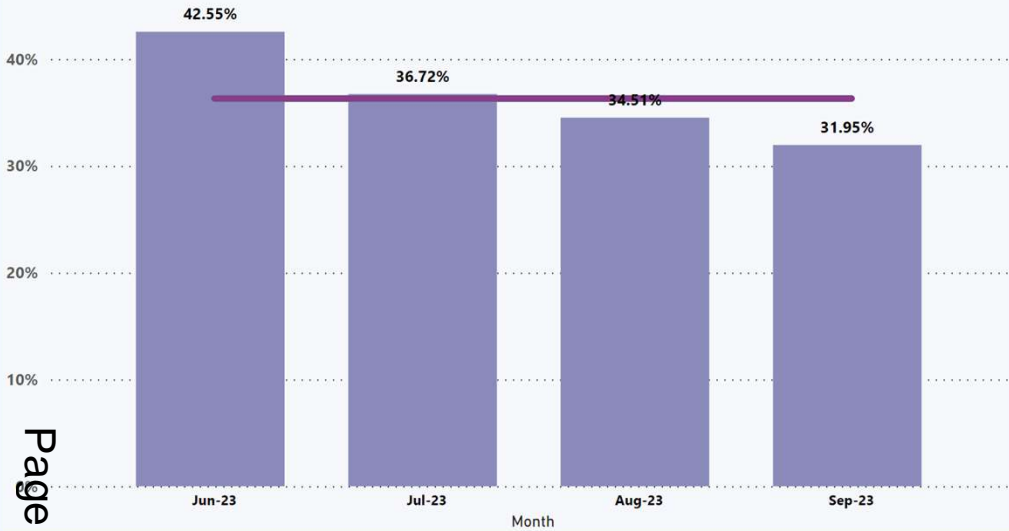
RAG status - Red

Benchmarking timeframe
2021-22 Stat neighbour median

Comment
The recycling processing facilities continue to require high quality dry mix recycling and segregated Paper and Card as such they are required to reject recycling material which do not conform to required tolerance levels for contamination. All material which contains non recycling items are being rejected and redirected for further processing at the ERF facility. As such this material does not contribute to recycling performance. In Partnership with collection's provider Veolia rounds have been identified which contain the higher level of contamination which is found in communal collections from Housing estates which have shared waste containers . Croydon is working with the Managing Agents responsible for the Housing estates along with RELONDON to identify areas of service improvements to address the level of contamination and increase the quality of recycling material.

Household waste recycling rate

● Indicator value — Target — Benchmark



Non-recycled Household Waste (kg per household)

● Indicator value — Target — Benchmark



Indicator Ref.
M45a

Comment

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

This month there has been a reduction in overall recycling performance. This is due to a number of externally influencing factors. 1) - The level of contamination in the collected recycling material as resulted in an increase in the number of loads rejected by the recycling processor. 2) the level of food waste has seen a reduction following changes in residents behaviour a return back to the office environment reducing the number of residents working from home. 3) In line with seasonal variations the current level of garden waste has reduced this month.

Directorate
Sustainable Communities, Regen & Economic Recovery

RAG status - Red

Benchmarking timeframe
2021-22 Stat neighbour median

Indicator Ref.
M45b

Comment

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

The overall level of non recyclable waste collected per house hold remains static between 38-40kg with a year to date average of 39kg per household. This level of waste production is significantly below the London average bench mark with a forecast for the year of 480kg compared to a London benchmark of 569kg per household.

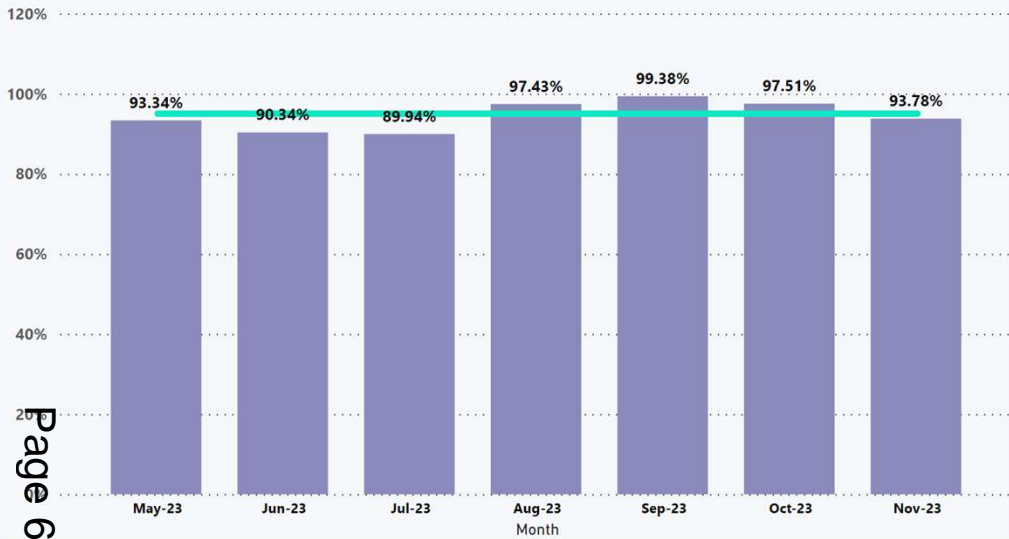
Directorate
Sustainable Communities, Regen & Economic Recovery

RAG status - Green

Benchmarking timeframe
2021-22 Stat neighbour median

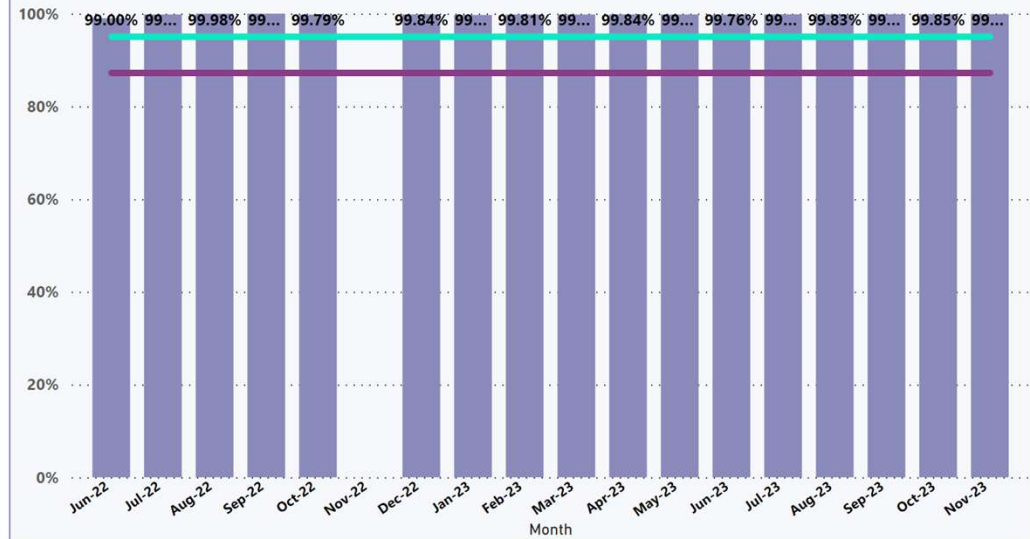
% of street below grade rectified within 24hrs

● Indicator value — Target — Benchmark



% of household waste collected on time

● Indicator value — Target — Benchmark



Indicator Ref.
M46

Comment

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

This month the service received a total of 386 reports of roads below the required standard for cleanliness. 97% of all reported areas were attended to by the service provider and brought back up to the required standard within the agreed time frame.

Directorate
Sustainable Communities, Regen & Economic Recovery

RAG status - Amber

Benchmarking timeframe
No comparable data available

Indicator Ref.
M47

Comment

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

A full waste collection service continues to be deployed across the borough. This month the services received 2,186 reports of missed collection which represent less than 1% of the total collections undertaken.

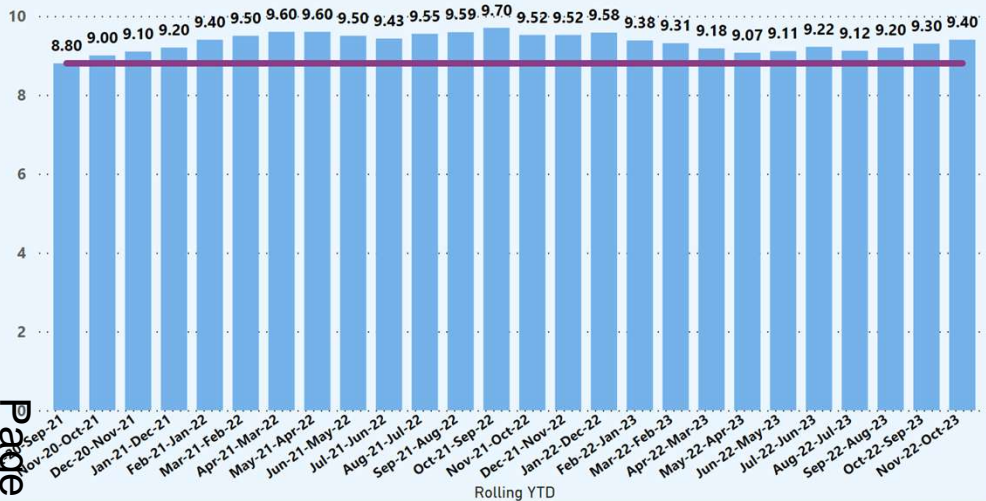
Directorate
Sustainable Communities, Regen & Economic Recovery

RAG status - Green

Benchmarking timeframe
24 months to end of March 2022 (London position)

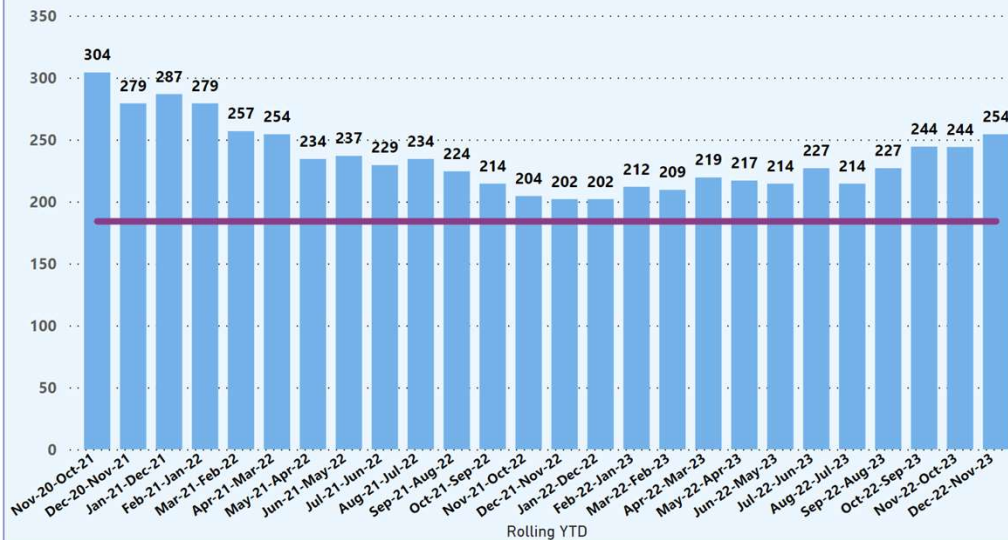
Violence with injury offences rate per 1,000 population

● Indicator value — Target — Benchmark



Juvenile first time entrants to the criminal justice system per 100,000 of 10-17 year olds

● Indicator value — Target — Benchmark



Indicator Ref.
M48

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

Directorate
Partnership working

RAG status - N/A

Benchmarking timeframe
12 months rolling to October 23 (London position)

Comment
In the short term, In our priority areas, we have recently commissioned VCS partners to deliver outreach services in the Town Centre, New Addington and Shrublands. During the summer, Holiday Activity Fund (HAF) will be delivering services for young people across the borough.
In the long term a Youth Safety Plan is being developed by partners highlighting what we are doing to address the issues facing the borough.

Indicator Ref.
M49

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

Directorate
Partnership working

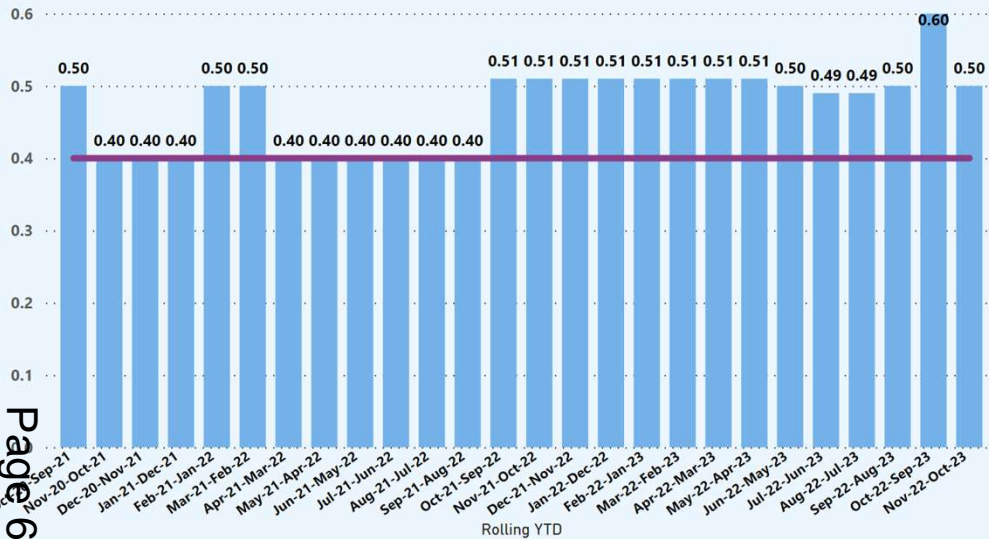
RAG status - N/A

Benchmarking timeframe
2021 (London position)

Comment

Knife crime with injury rolling 12 months (rate per 1,000 population)

● Indicator value — Target — Benchmark



Knife crime with injury (victims 1-24 years old) rolling 12 months (rate per 1,000 1-24 population)

● Indicator value — Target — Benchmark



Indicator Ref.
M50

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

Directorate
Partnership working

RAG status - N/A

Benchmarking timeframe
12 months rolling to October 23 (London position)

Comment
We have commissioned trusted third sector partners to deliver targeted outreach, engagement and diversion work with young people in high risk areas such as Croydon Town Centre, Shrublands and New Addington. In the longer term, we have launched our new "Youth Safety Delivery Plan", the borough's first plan aiming to reduce both the number and seriousness of violence incidents involving young people. This is a partnership plan, and was developed with both our statutory partners such as the Police and communities, residents and young people. This plan will work with affected communities to change how we prevent violence and support the victims of violence, and reflects a new way of working in trusted and equal partnership with the people of Croydon

Indicator Ref.
M51

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

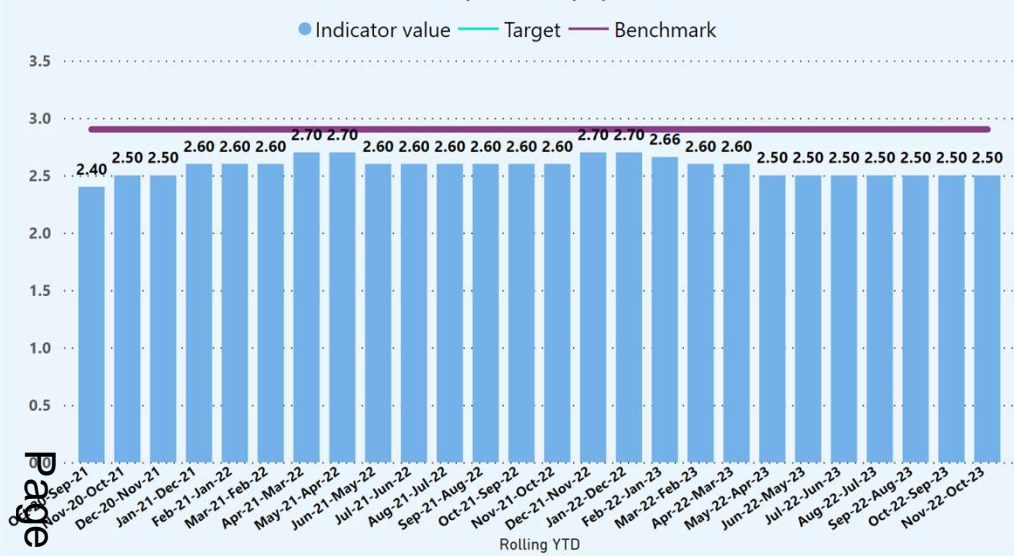
Directorate
Partnership working

RAG status - N/A

Benchmarking timeframe
12 months rolling to October 23 (London position)

Comment
We have commissioned trusted third sector partners to deliver targeted outreach, engagement and diversion work with young people in high risk areas such as Croydon Town Centre, Shrublands and New Addington. In the longer term, we have launched our new "Youth Safety Delivery Plan", the borough's first plan aiming to reduce both the number and seriousness of violence incidents involving young people. This is a partnership plan, and was developed with both our statutory partners such as the Police and communities, residents and young people. This plan will work with affected communities to change how we prevent violence and support the victims of violence, and reflects a new way of working in trusted and equal partnership with the people of Croydon

Hate crime offences (includes Homophobic, transphobic, religious, race and disability hate crimes) rate per 1,000 population



Indicator Ref. M52

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

Directorate
Partnership working

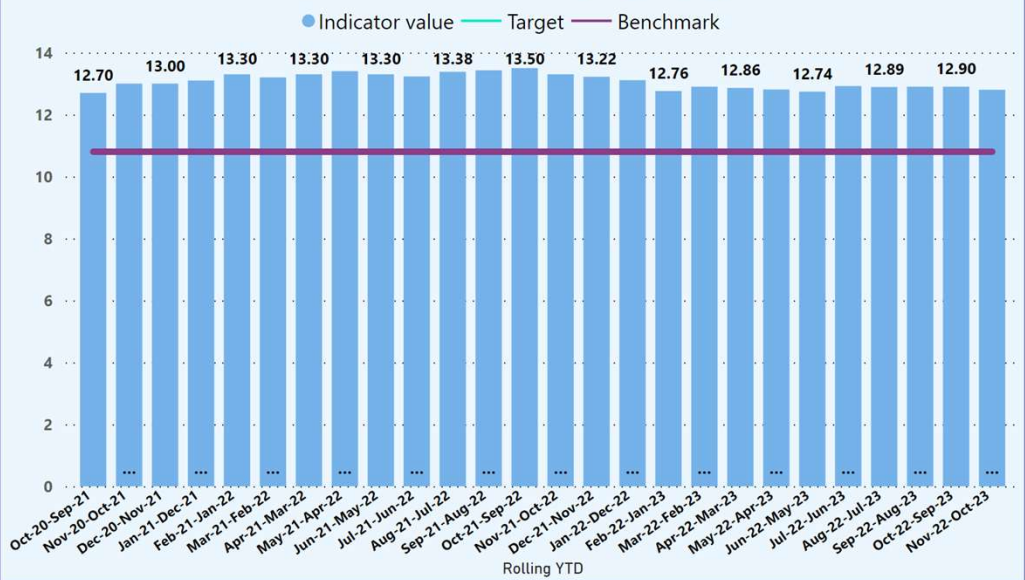
RAG status - N/A

Benchmarking timeframe
12 months rolling to October 23 (London position)

Comment

Hate crime has remained at roughly the same level over the last 12 months, and continues to be monitored in partnership with the Police

Domestic violence offences rate per 1,000 population



Indicator Ref. M53

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

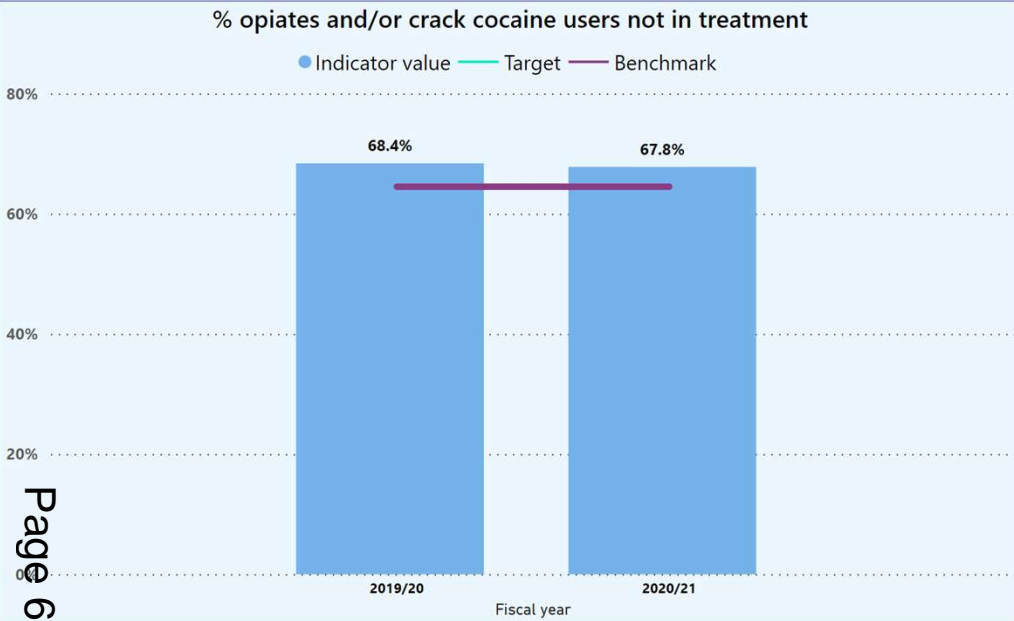
Directorate
Partnership working

RAG status - N/A

Benchmarking timeframe
12 months rolling to October 23 (London position)

Comment

Levels of domestic violence remain unacceptable in our borough. We have continued to fund and deliver the key Family Justice Service that works with victims of abuse to reduce the risk of violence, and work with the Police and victims to tackle perpetrators of domestic violence and abuse. In spring 2024 we will launch the boroughs first "Tackling Violence against Women and Girls" delivery plan, which will set out our three year plan for making women and girls safer in Croydon across all aspects of gender based violence.
NOTE: Our services also support men and boys subject to gender based violence



Indicator Ref. M54

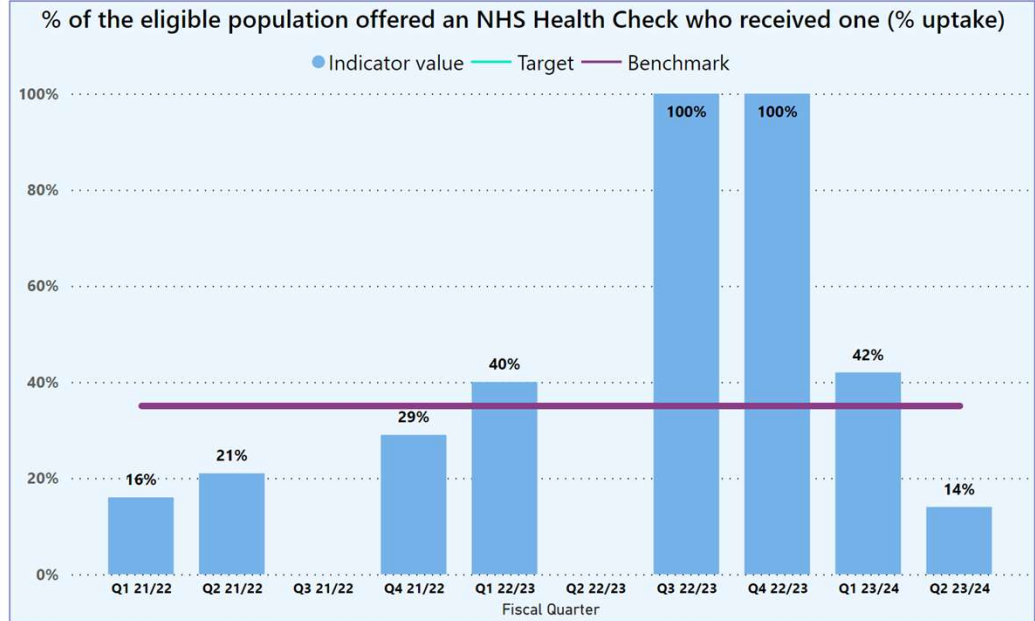
Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

Directorate Partnership working

RAG status - N/A

Benchmarking timeframe 2020/21 (London average)

Comment
Our new provider is now embedded with a recent Good CQC rating (Dec 2022) and have additional funding coming through from central government with a focus on increasing numbers in treatment. A new multi-agency Substance misuse Board has been established which should also allow a more specific targeting across a range of stakeholders including service users (and those who would benefit from using the service)



Indicator Ref. M55

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

Directorate Partnership working

RAG status - N/A

Benchmarking timeframe 2023/24 Q1 (London position)

Comment
Croydon has a targeted approach to NHS Health checks provision that focuses on those most at risk of poor health outcomes rather than the entire eligible population. The focus is on improving uptake of health checks by those who have been offered rather than increasing the population invited. We have been working with our new invitation provider to use behavioural insights to improve the invitation letter and to implement a recall process. There is a caveat with Q2 22/23 data as the proportion is over 100% not sure why this is and could change in the next quarter.as there could be a correction notice Currently invitations are on hold until the DPIA is in place, and I believe that the last provider ended with us May 2022. Currently it is only opportunistic health checks that are being offered so maybe it is because we are delivering more than we are offering as at the moment we are not offering. This still stands for Q3 22/23.



Indicator Ref.
M57

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

Directorate
Assistant Chief Executive

RAG status - Red

Benchmarking timeframe
2022/23 Q4 (London position)

Comment
Target is 2021/22 statistical neighbour average for this check. History of poor performance, related to chronic staffing issues (reflecting national recruitment problems) with Croydon being a notable outlier. New Recruitment and Retention Plan being produced by CHS. Intensive management being carried out by CYPE Commissioning with significant involvement of Public Health, including the Directors of Public Health and Performance, Quality & Commissioning. Monthly monitoring and improvement plan in place. This has been reviewed by Children's Overview and Scrutiny, January 2024 - There have been strategic staffing structure changes within the Public Health Nursing team and a revised service delivery model to improve caseload management is currently being designed with the goal of being launched in April 2024. Continuation of monthly contract meetings and quarterly director meetings to monitor performance.

Indicator Ref.
M58

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

Directorate
Assistant Chief Executive

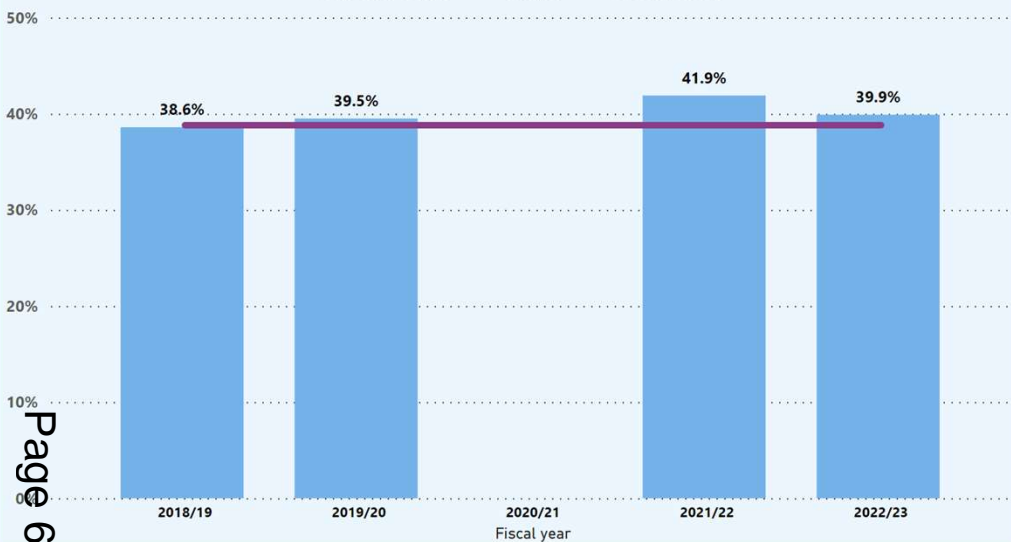
RAG status - Red

Benchmarking timeframe
2022/23 Q4 (London position)

Comment
Target is 2021/22 statistical neighbour average for this check. History of poor performance, related to chronic staffing issues (reflecting national recruitment problems). New Recruitment and Retention Plan produced by CHS. Significant involvement of Public Health, including the Director of Public Health and Commissioners. Monthly monitoring and improvement plan in place. This has been reviewed by Children's Overview and Scrutiny, August 2023 - Strategic staffing structure changes with Public Health Nursing. Revised commissioner improvement plan being devised for immediate implementation. Continuation of monthly contract meetings and quarterly director meetings to monitor performance.

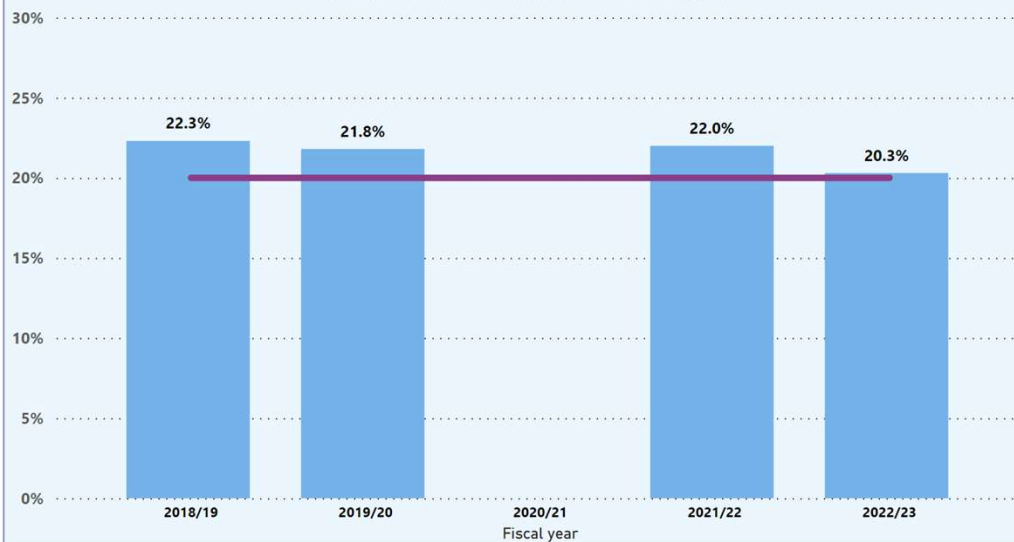
% of children aged 10-11 years (children in year 6) classified as obese or overweight

● Indicator value — Target — Benchmark



% of children aged 4-5 years (children in reception) classified as obese or overweight

● Indicator value — Target — Benchmark



Indicator Ref.
M59

Comment

Owing to the suspension of the National Childhood Measurement Programme during the pandemic there is no updated information for 2020/21. The Healthy Schools programme includes a focus on healthy food in schools. Public Health are working with the NHS to develop a Tier 3/4 healthy weight service. Currently awaiting confirmation of the year 2 funding before the service can be commissioned. The Food and Healthy Weight Partnership has a range of actions across the wider determinants of health, and is working to utilise grant funding available within this area.

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

Directorate
Partnership working

RAG status - N/A

Benchmarking timeframe
2022/23 (London average)

Indicator Ref.
M60

Comment

Owing to the suspension of the National Childhood Measurement Programme during the pandemic there is no updated information for 2020/21. Public Health has commissioned HENRY in July 2022 as the provider for the Early Years Healthy Behaviours service and began delivering their first family programmes from February 2023. The service is well established and delivering programmes across Croydon including cooking programmes, eating on a budget and starting solids. The Service has linked effectively with the GP network, Family Hubs and in particular infant feeding. Public health are also working with the NHS to develop a Tier 3/4 healthy weight service. The Food and Healthy Weight Partnership has a range of actions across the wider determinants of health, and is working to utilise grant funding available within this area.

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

Directorate
Partnership working

RAG status - N/A

Benchmarking timeframe
2022/23 (London average)

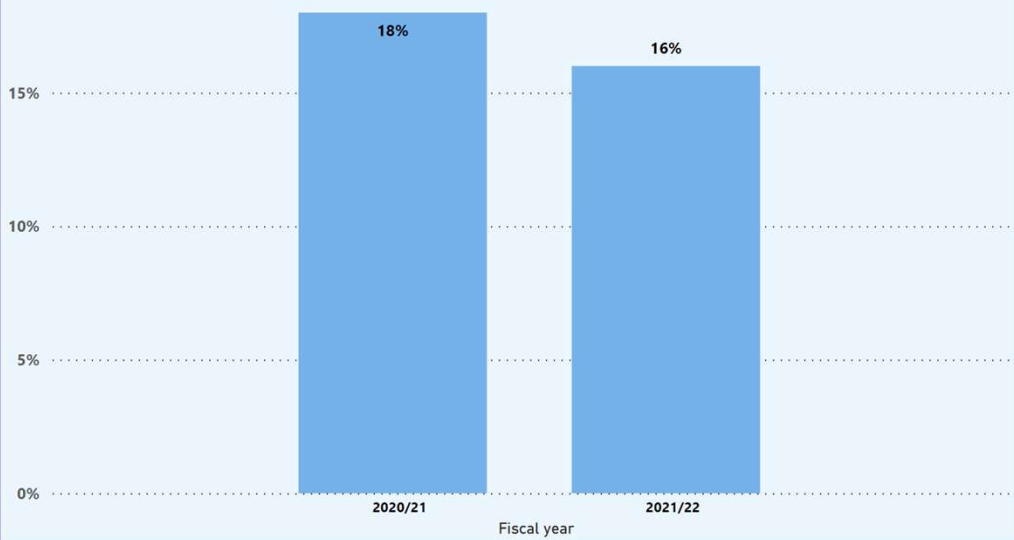
Carbon dioxide (CO2) emissions estimates within the scope of influence of Local Authorities (Emissions per km2 (kt CO2))

● Indicator value — Target — Benchmark



Affordable homes completed (measured as a % of total build)

● Indicator value — Target — Benchmark



Indicator Ref.
M61

Comment

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

Directorate
Sustainable Communities, Regen & Economic Recovery

RAG status - Green

Benchmarking timeframe
2020 (London position)

Indicator Ref.
M62

Comment

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

The 338 net affordable housing completions for 21/22 only captures affordable housing units secured through Section 106 Agreements at the grant of planning consent. Therefore, the figure is exclusive of developments / units post the planning process that are acquired by Registered Providers and delivered as affordable housing. It should also be noted that in accordance with national policy the Council can only secure affordable housing from schemes of 10 units or more.

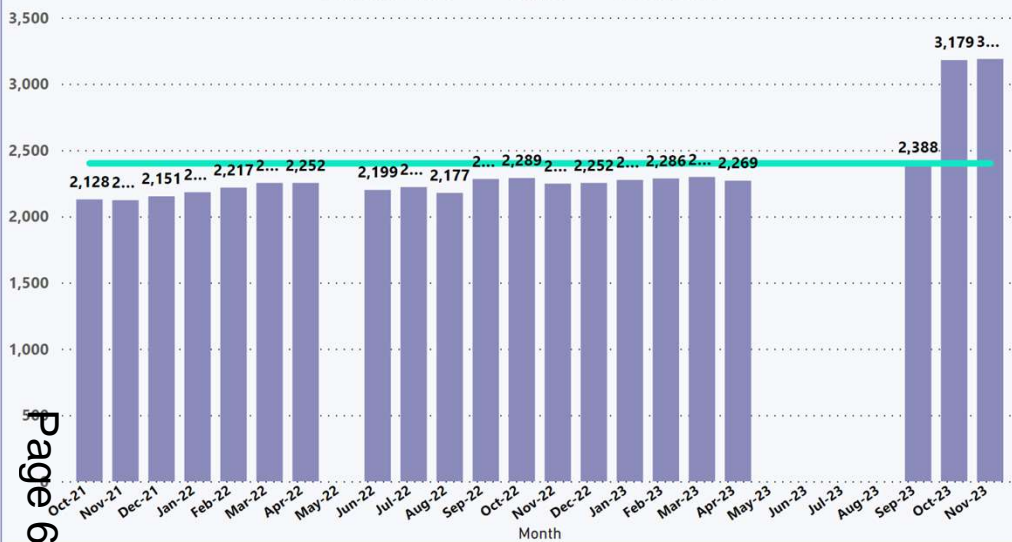
Directorate
Partnership working

RAG status - N/A

Benchmarking timeframe
No comparable data available

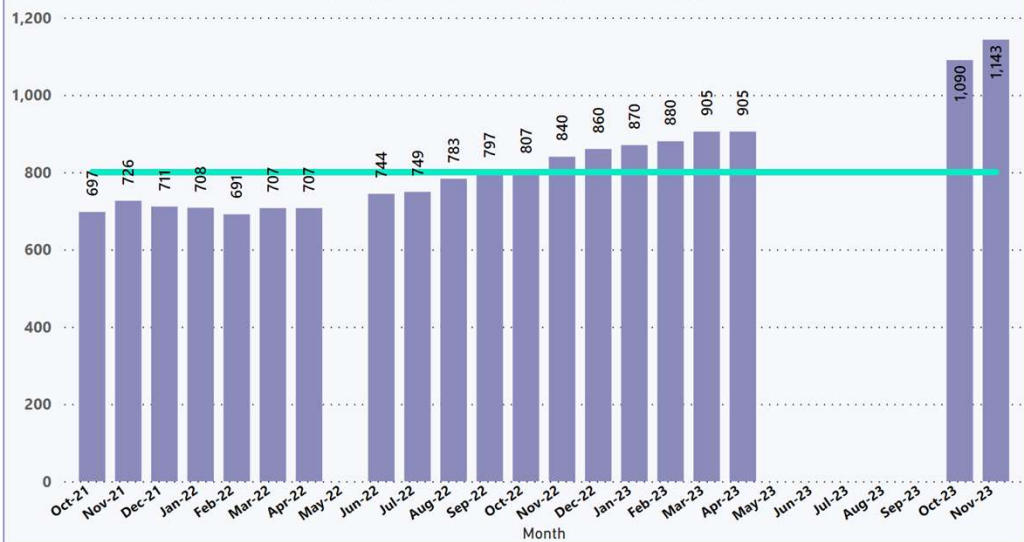
Total households in Temporary accommodation

● Indicator value — Target — Benchmark



Number of temporary accommodation households that are in nightly let

● Indicator value — Target — Benchmark



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Indicator Ref. M64

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

Directorate Housing

RAG status - Red

Benchmarking timeframe
No comparable data available

Comment

The number of households in temporary accommodation was previously under-reported and the increase reflects the true position. As part of the transformation of the Housing Needs Service, occupancy review and data quality checks have been carried out which has identified additional households living in temporary accommodation.

Indicator Ref. M65

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

Directorate Housing

RAG status - Red

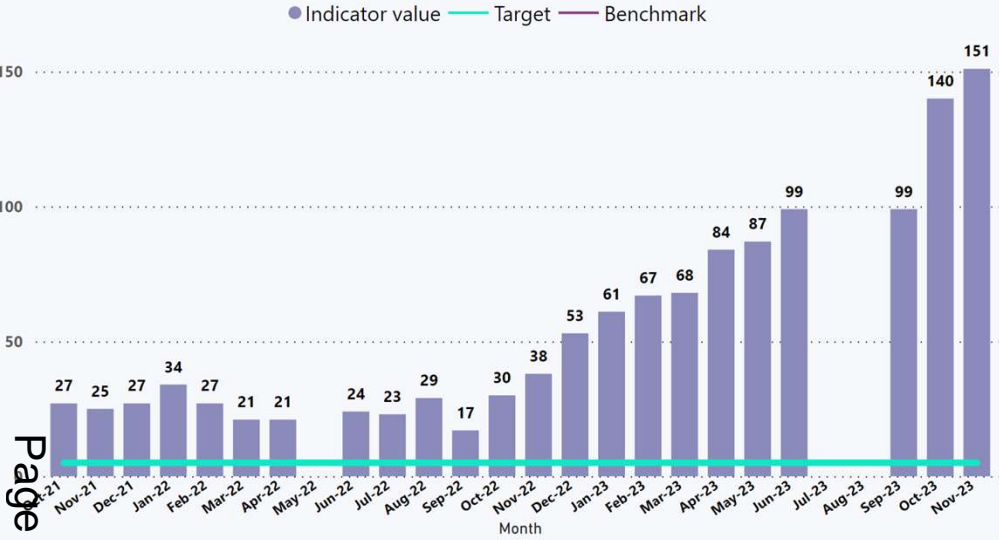
Benchmarking timeframe
No comparable data available

Comment

Shortage in the supply of private rented accommodation and longer-term temporary accommodation has led to a dramatic increase in the number of households being accommodated in nightly let accommodation. This is coupled by an increasing number of landlords requesting the return of their properties. The current crisis in supply means the use of nightly paid accommodation and commercial hotels are often our only option.

We are refocusing the service on strengthening the relationship with landlords and accommodation providers by developing a more competitive offer to retain and secure supply to reduce the use of nightly paid accommodation. Options being considered include bond schemes and financial incentives.

Number of temporary accommodation households that are in shared accommodation >6 weeks



Indicator Ref. M66

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

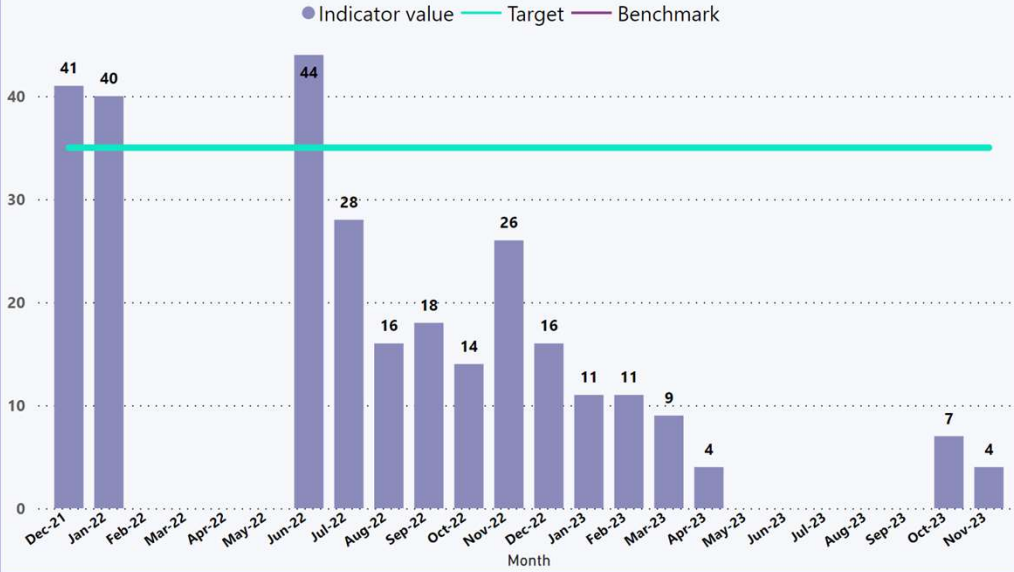
Directorate
Housing

RAG status - Red

Benchmarking timeframe
No comparable data available

Comment
Shortage in the supply of private rented accommodation and longer-term temporary accommodation has led to an increase in the use of emergency nightly let and hotel accommodation with shared facilities. This is a national problem as the latest homelessness stats from DLUHC, for April to June 2023 published in December 2023 demonstrated that many local authorities in England are increasingly running out of options for providing people experiencing homelessness with accommodation, causing them to increasingly place people in B&Bs. The greatest percentage increase was for families with children living in shared accommodation over 6 weeks at 2,510 households which is the highest figure since March 2003 and had increased by 38.7% in the last quarter and 146.1% in the past year.
As part of the transformation of the Housing Service we are refocusing the service on providing support for residents to prevent them from losing their home to avoid being placed in such unsuitable accommodation.

Number of homelessness cases prevented



Indicator Ref. M67

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

Directorate
Housing

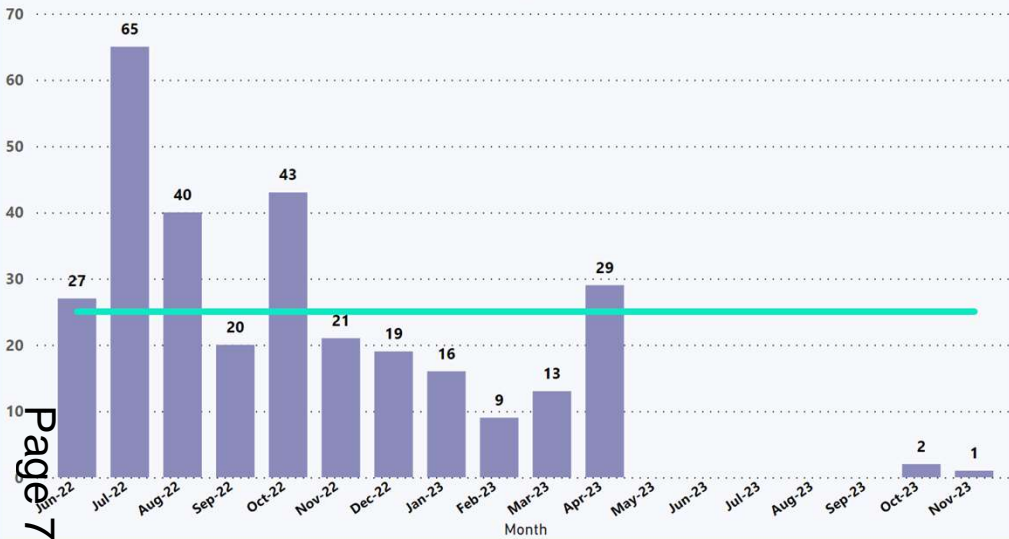
RAG status - Red

Benchmarking timeframe
No comparable data available

Comment
The new Housing Needs Service aim is to speed up the process of support to residents at risk of homelessness. To facilitate this and as part of Transformation a change programme is underway which will encourage and help staff to embrace new ways of working which includes effective use of the recently implemented I.T system and a bespoke training programme encompassing our statutory duties with special emphasis on customer care.
Performance improvement is expected in 2024-25 following the implementation of a performance management framework.

Number of cases where Homelessness was Relieved

● Indicator value — Target — Benchmark



Indicator Ref.
M68

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

Directorate
Housing

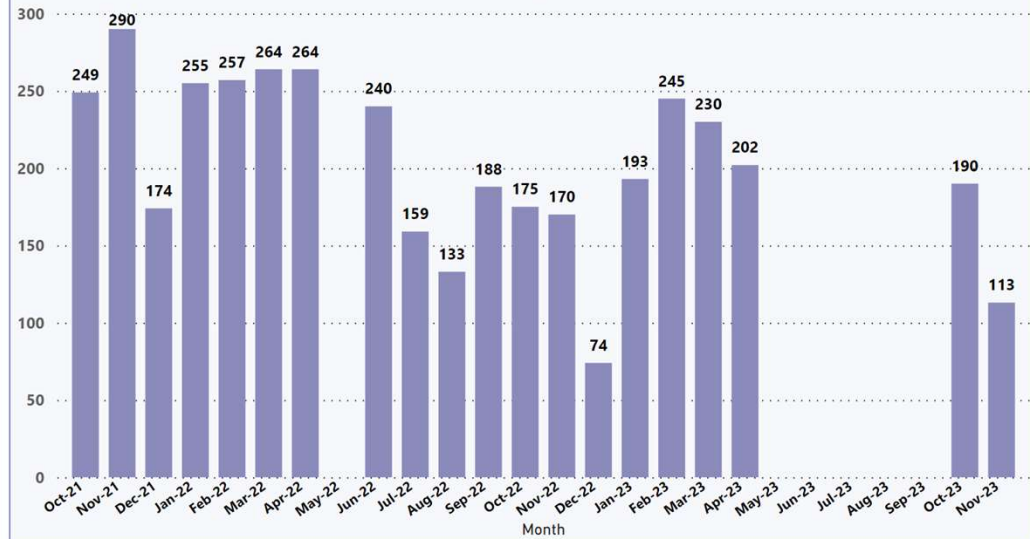
RAG status - Red

Benchmarking timeframe
No comparable data available

Comment
The new Housing Needs Service aim is to speed up the process of support to residents at risk of homelessness. To facilitate this and as part of Transformation a change programme is underway which will encourage and help staff to embrace new ways of working which includes effective use of the recently implemented I.T system and a bespoke training programme encompassing our statutory duties with special emphasis on customer care.
Performance improvement is expected in 2024-25 following the implementation of a performance management framework.

Number of Homeless Applications Made

● Indicator value — Target — Benchmark



Indicator Ref.
M69

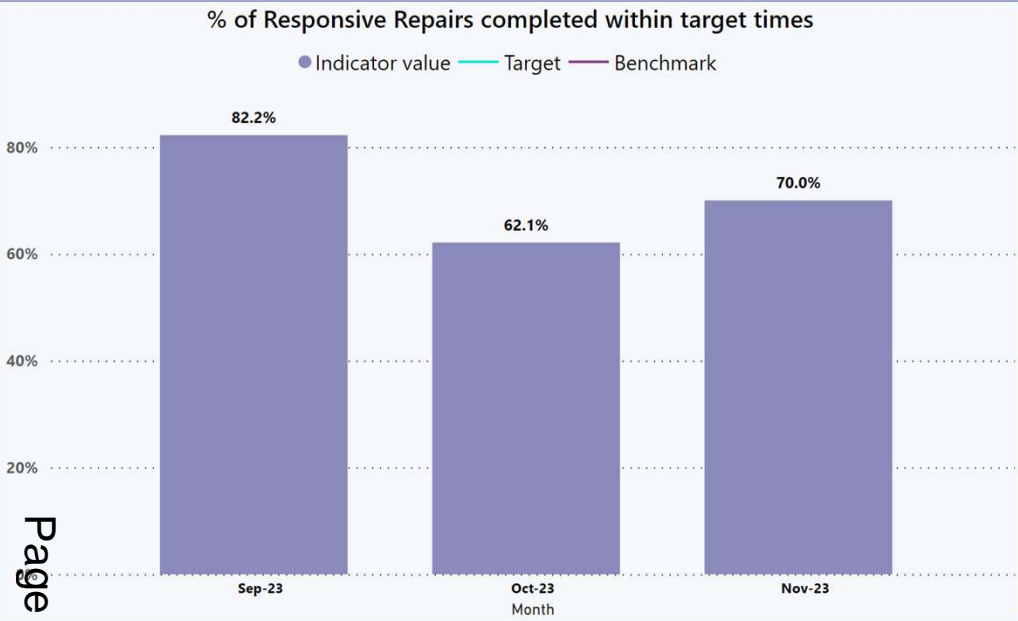
Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

Directorate
Housing

RAG status - N/A

Benchmarking timeframe
No comparable data available

Comment
This indicator measures demand pressure to enable the service to design appropriate solutions to support residents at risk of homelessness.



Indicator Ref. M83

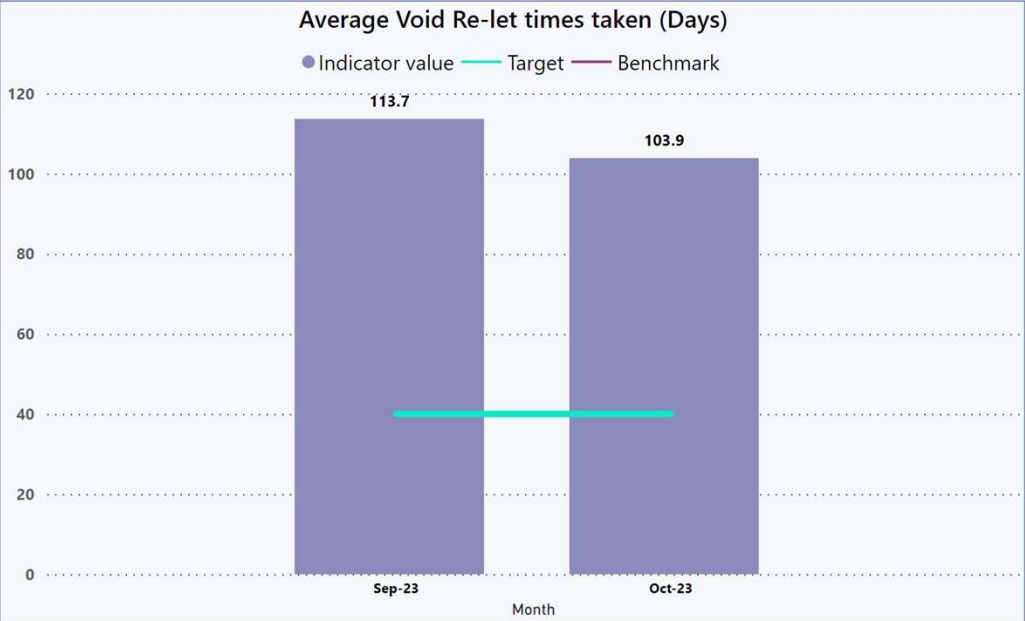
Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

Directorate
Housing

RAG status - N/A

Benchmarking timeframe
No comparable data available

Comment
Our new repairs service launched on 1 August 2023 with Mears, Wates and K&T Heating. Despite a large increase in the number of repairs logged each month by our residents, our contractors are responding well and the majority of responsive repairs are completed within target (emergency repairs target 100%, achieved 99.24%; routine repairs target 97% achieved 80%). We are working collaboratively with our contractors to stabilise the service ahead of the new financial year.



Indicator Ref. M84

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

Directorate
Housing

RAG status - Red

Benchmarking timeframe
Not specified

Comment
We continue to see improvement in void turnaround times. This includes a large reduction in the number of backlog historical voids including several extra care properties.

To date, we have let over 650 voids, which has allowed the Council to provide permanent homes for families, many of whom have spent a number of years in temporary accommodation. In addition, by increasing the number of properties we can let and reducing the number of historical lets, we are able to increase the HRA income used to deliver our services to residents.

Monthly meetings continue to be held with our new contractors to address any issues with performance, which we see as key in ensuring that these relatively new contractors become familiar with our expectations and standards.

We continue to use feedback from new tenant satisfaction surveys to improve services. Following further consultation with tenants who expressed a wish to help us to continue to develop the service, we have been able to review and improve upon the lettable standard and meet one of the aims and objectives of our transformation programme. The impact of these improvements will now be monitored to allow us to ensure that they are helping to drive up tenant satisfaction.

Average Void Re-let times taken (Days)

● Indicator value — Target — Benchmark



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Indicator Ref.
M84

Outcome 4
Croydon is a cleaner, safer and healthier place, a borough to be proud to call home

Directorate
Housing

RAG status - Red

Benchmarking timeframe
Not specified

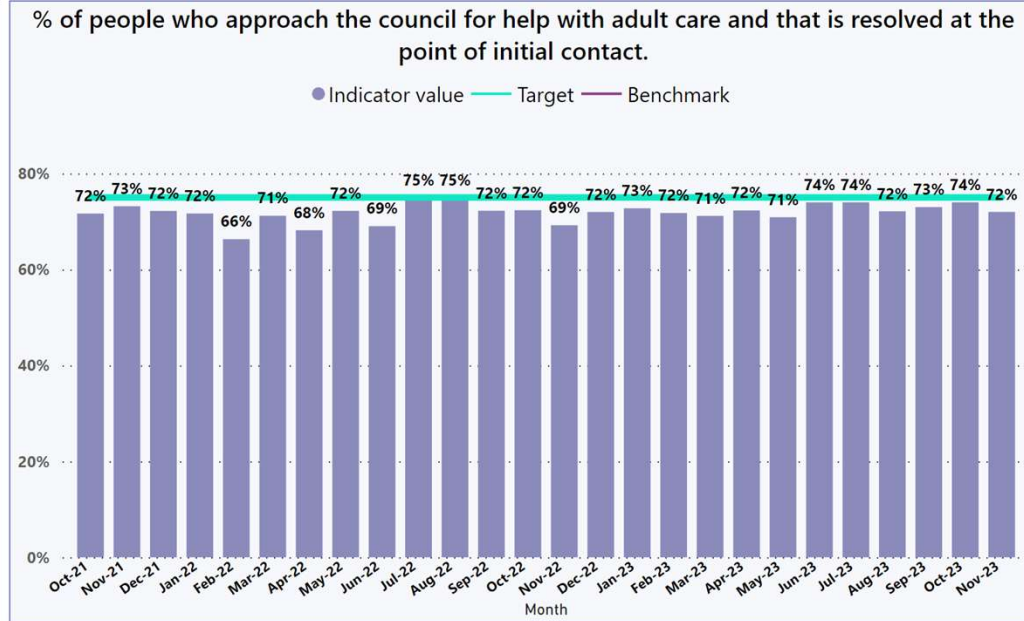
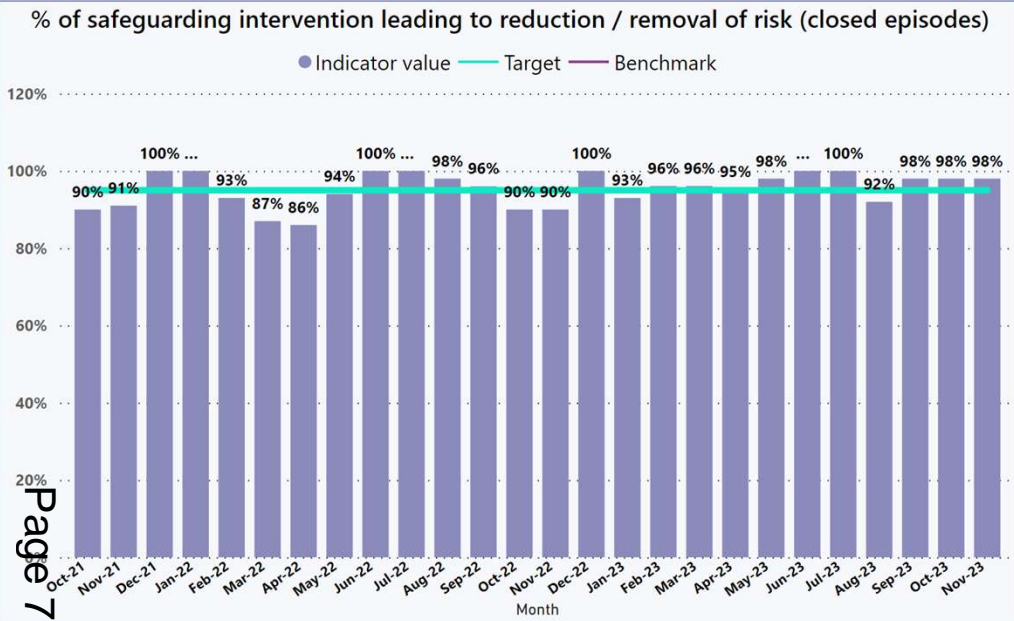
Comment

Void turnaround times continue to improve. This includes a large reduction in the number of backlog historical voids including several extra care properties. To date, 650 voids have been let, meaning permanent homes for families, many of whom have spent a number of years in temporary accommodation. In addition, by increasing the number of properties available to let and reducing the number of historical lets, we are able to increase the Housing Revenue Account income used to deliver our services to residents.

Monthly meetings continue to be held with the new contractors to address any issues with performance. This is key in ensuring that these relatively new contractors become familiar with the council's expectations and standards.

Feedback from new tenant satisfaction surveys is used to improve services. Further consultation with tenants who expressed a wish to help with the continued development of the service has taken place. This has enabled review and improvement of the lettable standard, thus meeting one of the aims and objectives of the transformation programme. The impact of these improvements will now be monitored to ensure that they are helping to improve tenant satisfaction.

5. People can lead healthier and independent lives for longer



Indicator Ref. M70

Outcome 5
People can lead healthier and independent lives for longer

Directorate
Adult Social Care and Health

RAG status - Green

Benchmarking timeframe
No comparable data available

Comment
 Explanatory note: The benchmark is the target – 95%. It is a Croydon set target.
 The size of the cohort is quite small, often less than 50. This means just one case without risk reduction has quite a significant impact on the overall percentage.
 Key narrative: People who have capacity and are a part of a safeguarding process can make decisions which are not always wise and do not alleviate the risk. This can be a particular issue in respect of mental health enquiries, but not exclusive to mental health.
 Sometimes cases are finished and followed up through another route, so risk may not have been evaluated. There are situations where risk cannot be fully removed. For example, people placed in a care home.
 Recent practice audits suggest that safeguarding across Adult Social Care is safe and effective. However, there are still areas where we need to improve practice- these have been identified in recent Safeguarding Adults Reviews

Indicator Ref. M71

Outcome 5
People can lead healthier and independent lives for longer

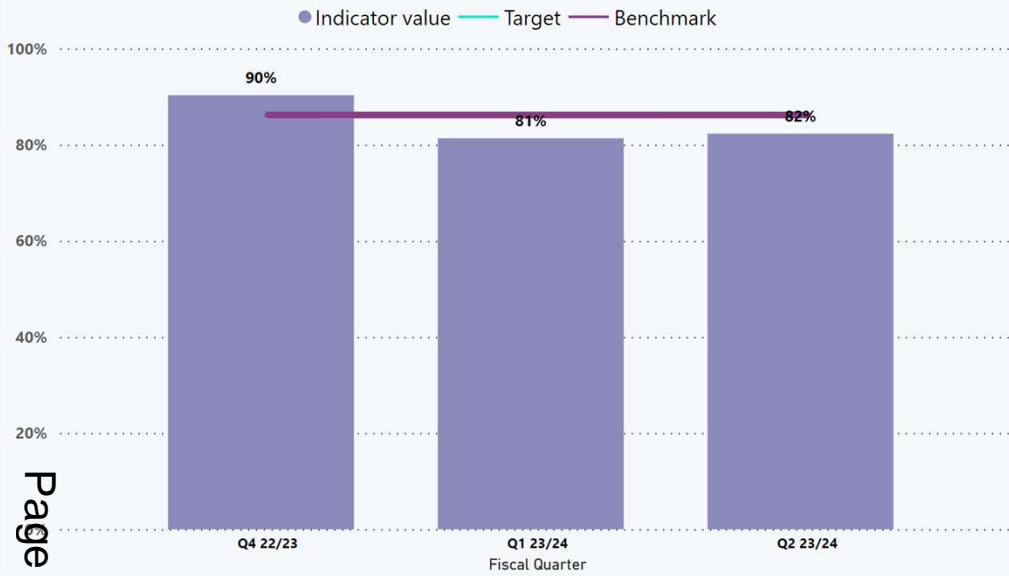
Directorate
Adult Social Care and Health

RAG status - Amber

Benchmarking timeframe
No comparable data available

Comment
 Explanatory note: The benchmark is the target - 75%. It means the council should meet or exceed the target when resolving contacts through our Adult Early Intervention and Support Service. Through provision of proportionate information, advice and guidance preventing residents from unnecessary referrals related to reablement or a Care Act assessment.
 Key narrative: The Croydon position will change from December. It has been established the current rate contains all contacts, rather than just through the Adult Early Intervention and Support Service.
 Positively, the managing demand programme has introduced a new online portal referral service for residents and professionals. This is seen nationally as best practice from a digital perspective. The programme is also in phase one of updating website content in relation to information, advice and guidance.
 Funding has been sourced for additional staff to complete targeted work around Rough Sleepers and Vulnerable adults which will support more people to avoid the need to access statutory services.

% of people still at home after 91 days after returning home from using reablement service



Indicator Ref.
M72

Outcome 5
People can lead healthier and independent lives for longer

Directorate
Adult Social Care and Health

RAG status - Amber

Benchmarking timeframe
FY 22-23 (London position)

Comment

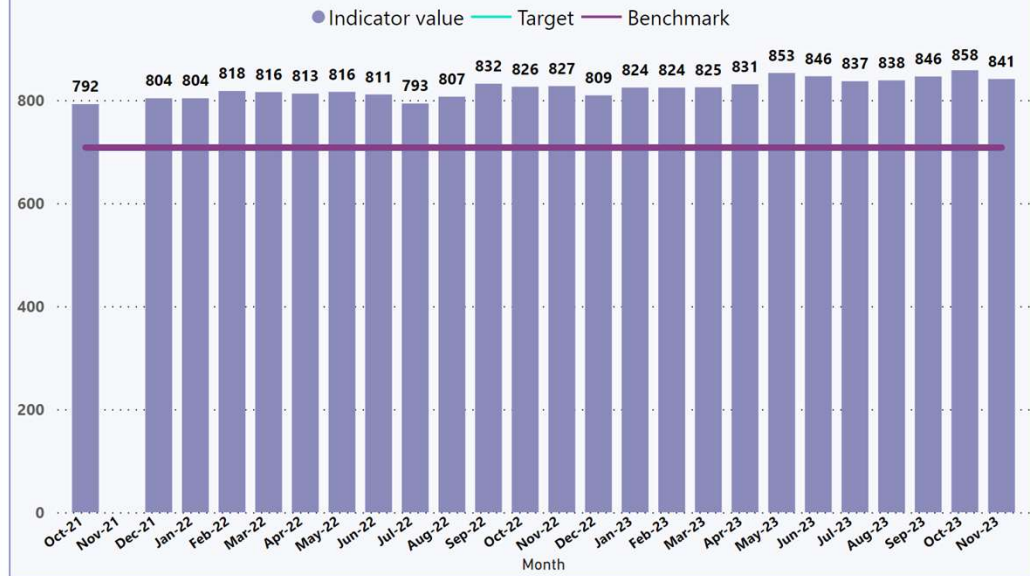
Explanatory note: The benchmark is the target – 86.2%. The target describes people discharged from hospital who through reablement, have not re-entered hospital or been placed in residential and nursing.

Key narrative: A higher proportion of Individuals are being discharged with complex needs, due to complexity of chronic health conditions, deterioration in health is greater resulting in readmission to hospital. There is an increase in individuals discharged, identified not to have reablement potential.

There is also an increase in discharge to assess community referrals from GPs and Rapid Response to prevent hospital admission initially, with a high proportion requiring hospital admission due to deterioration of health.

Increasingly the elderly population is seeing readmission after discharge from reablement for different reasons to the original hospital admission. One Croydon Alliance partners have commissioned a deep dive of this key performance indicator.

Rate of 18-64 clients in long term care (per 100,000)



Indicator Ref.
M73

Outcome 5
People can lead healthier and independent lives for longer

Directorate
Adult Social Care and Health

RAG status - Red

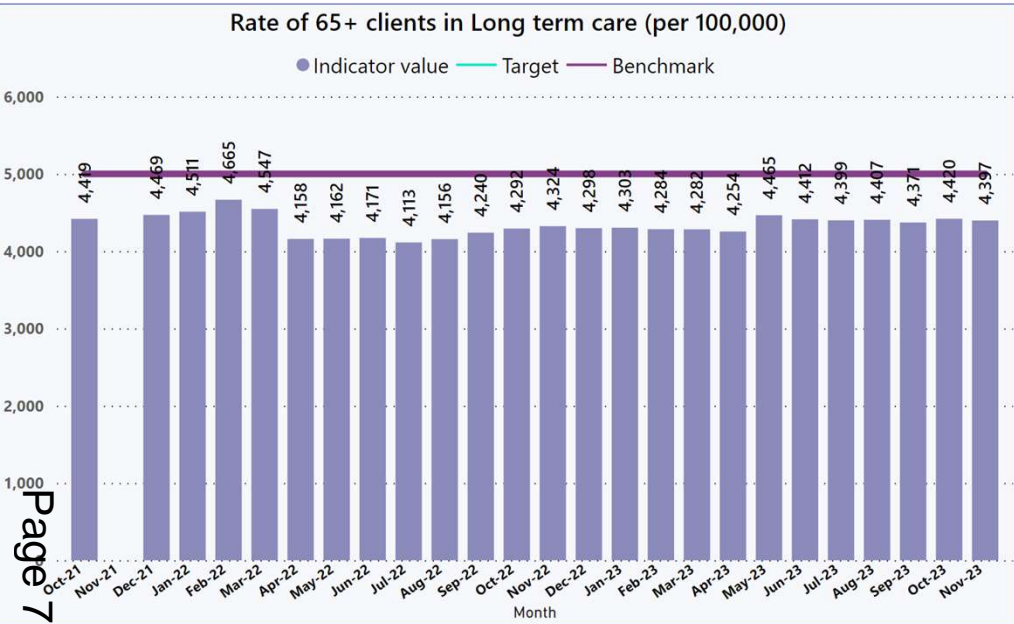
Benchmarking timeframe
FY 22-23 (London position)

Comment

Explanatory note: The benchmark is the target - 708. The metric describes all residents receiving funded long term care. This includes direct payments, home care and residential and nursing care. A resident receiving funded services could sit within this metric for up to 46 years. Early intervention and enabling services are crucial.

Key narrative: The approach to meeting the target is through our managing demand programme (information, advice and guidance) and good social care practice (strengths based assessment enabling connections with community services and use of care technology). Placing residents in borough where appropriate (as opposed to out of borough) is also a key change in our practice.

During February - April 2024 the Directorate will complete a service review with a Strategic Delivery Partner, to set out the next stages for the long term transformation required to meet the metric.



Indicator Ref.
M74

Outcome 5
People can lead healthier and independent lives for longer

Directorate
Adult Social Care and Health

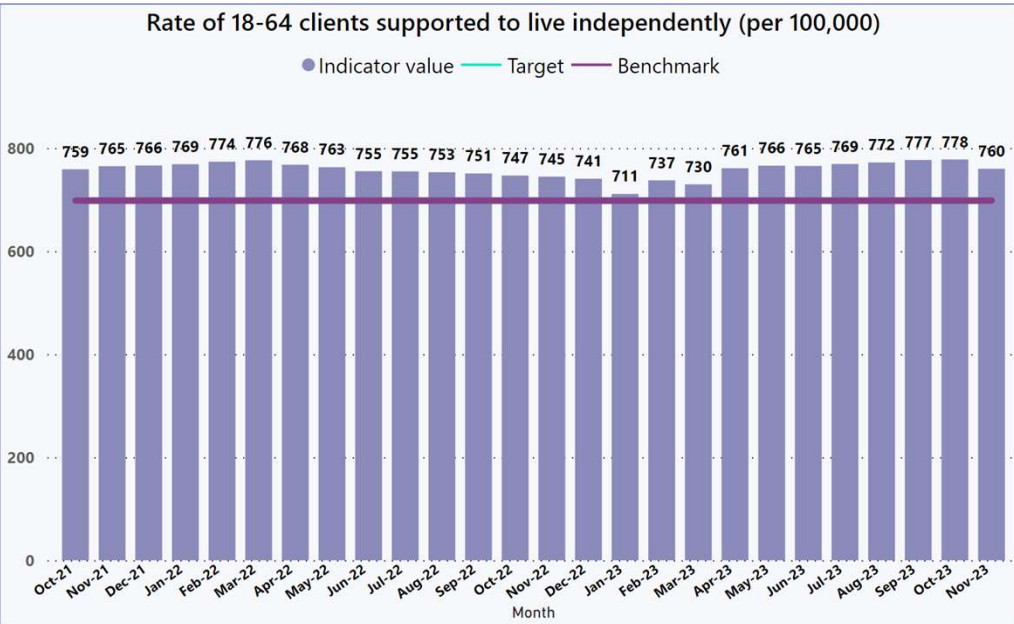
RAG status - Green

Benchmarking timeframe
FY 22-23 (England position)

Comment

Explanatory note: The benchmark is the target – 5000. The metric describes all residents receiving funded long term care. This includes direct payments, home care and residential and nursing care.

Key narrative: A substantial element of the focus for this metric is aligned within the One Croydon Alliance (integrated health and care approach). It includes six community based multi-disciplinary teams aligned to GP practices, called huddles. The huddles enable review of residents not yet funded by social care to be proactively reviewed and with redirection to voluntary and community organisations.



Indicator Ref.
M75

Outcome 5
People can lead healthier and independent lives for longer

Directorate
Adult Social Care and Health

RAG status - Amber

Benchmarking timeframe
FY 22-23 (London position)

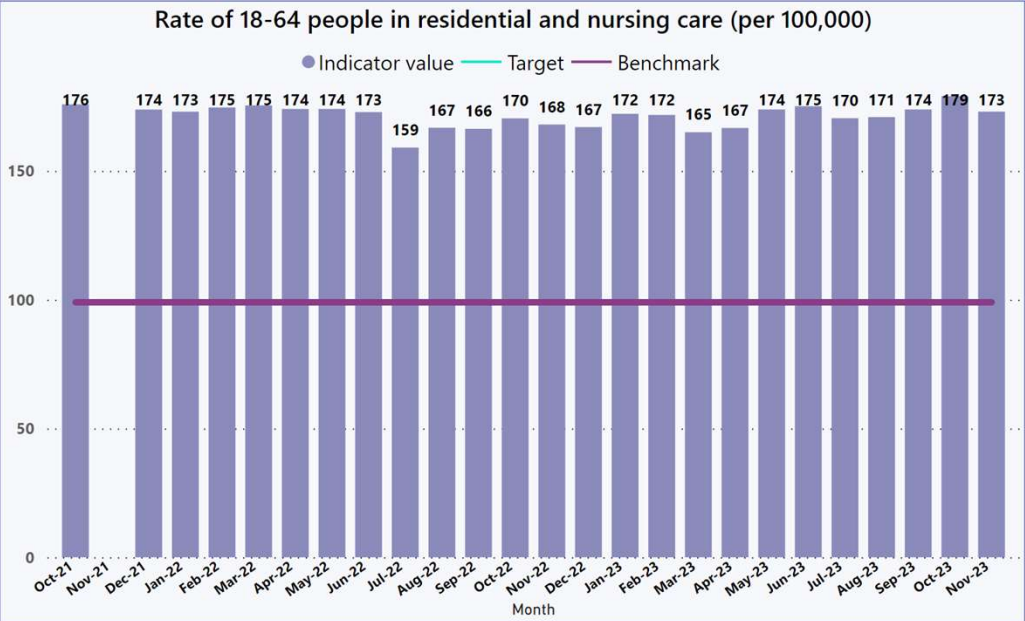
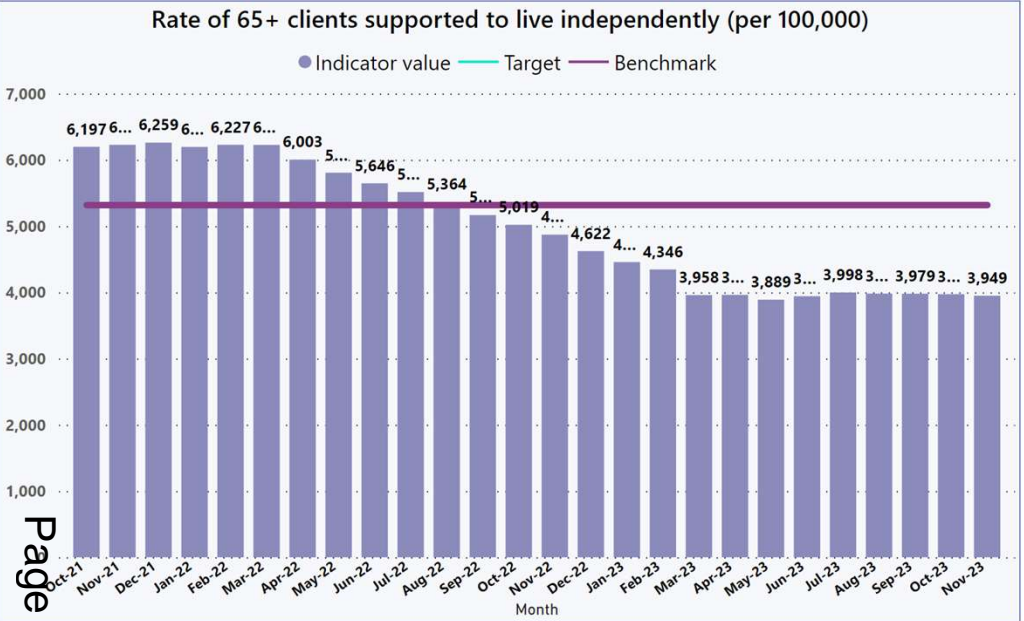
Comment

Explanatory note: The benchmark is the target - 698. The metric describes all residents receiving funded long term care exclusive of residential and nursing care.

Key narrative: Although it remains best practice to support people to live independently in their own homes too many people are being supported per head of population.

A substantial element of the focus for this metric is aligned to developing the provider market on floating support (mainstream housing with minimal support to maintain tenancy and independent living). Funded costs for this are relatable to housing benefits rather than social care budgets.

During February - April 2024 the Directorate will complete a service review with a Strategic Delivery Partner, to set out the next stages for the long term transformation required to meet the metric.



Indicator Ref. M76

Outcome 5
People can lead healthier and independent lives for longer

Directorate
Adult Social Care and Health

RAG status - Green

Benchmarking timeframe
FY 22-23 (England position)

Comment
 Explanatory note: The benchmark is the target - 5316. The metric describes all residents receiving funded long term care exclusive of residential and nursing care.
 Key narrative: A substantial element of the focus for this metric is aligned within the One Croydon Alliance (integrated health and care approach). It includes integrated care network (ICN+) model, and the six community based multi-disciplinary teams aligned to GP practices, called huddles. The huddles enable review of residents not yet funded by social care to be proactively reviewed and with redirection to voluntary and community organisations.
 Increasing use of extra care housing (significant void reduction in 2023/24) is enabling residents to stay in the community in their own tenancy.

Indicator Ref. M77

Outcome 5
People can lead healthier and independent lives for longer

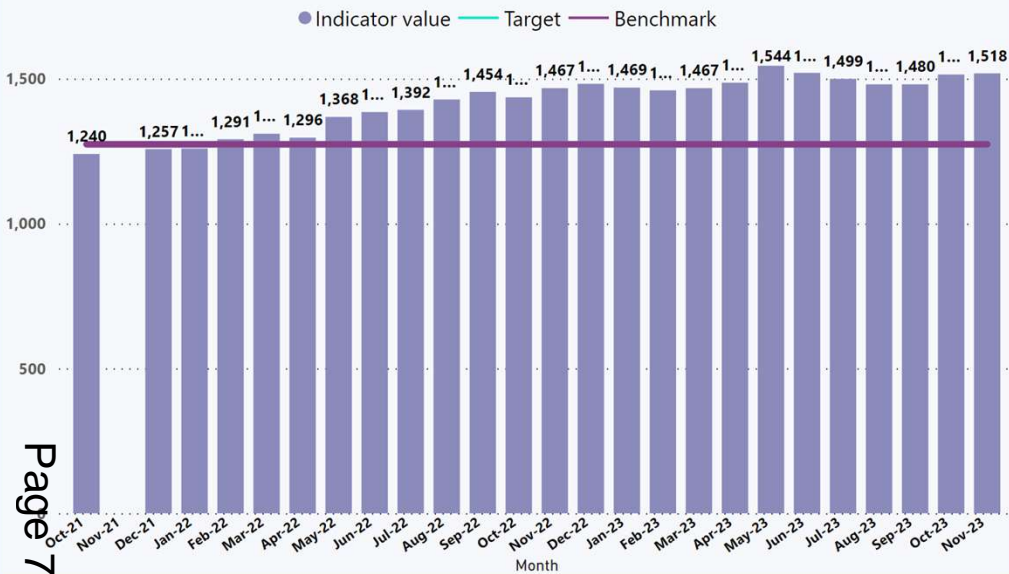
Directorate
Adult Social Care and Health

RAG status - Red

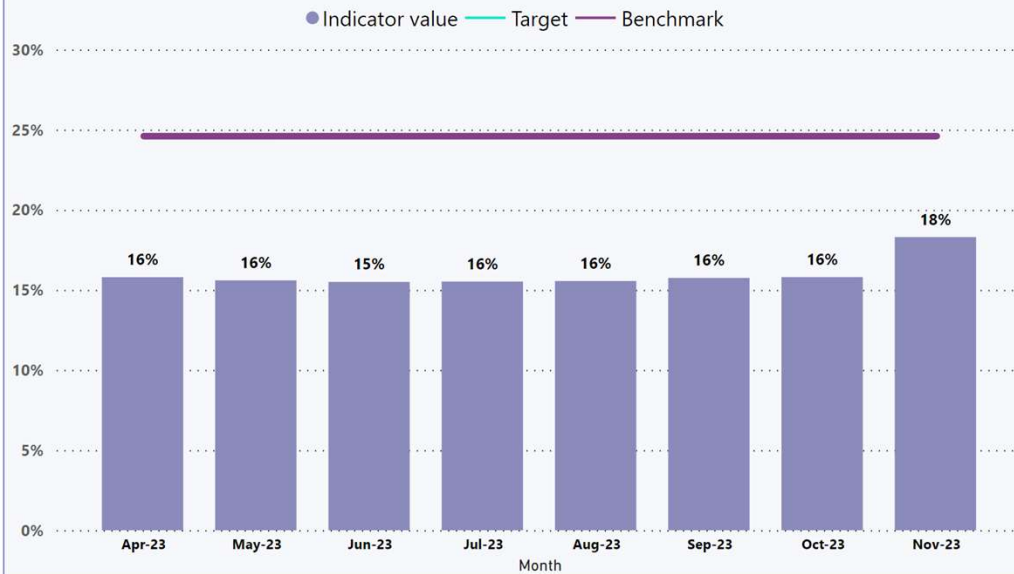
Benchmarking timeframe
FY 22-23 (London position)

Comment
 Explanatory note: The benchmark is the target - 99. This metric describes all residents receiving funded care only placed in residential or nursing care.
 Key narrative: The key focus of this metric is our managing demand approach, only placing newly assessed or reviewed residents in residential or nursing care where it is absolutely necessary. Where residents are already placed, review should always consider the opportunity for step down to extra care housing.
 During February - April 2024 the Directorate will complete a service review with a Strategic Delivery Partner, to set out the next stages for the long term transformation required to meet the metric.

Rate of 65+ people in residential and nursing care (per 100,000)



% of eligible adults managing their care via direct payment



Indicator Ref.
M78

Outcome 5
People can lead healthier and independent lives for longer

Directorate
Adult Social Care and Health

RAG status - Red

Benchmarking timeframe
FY 22-23 (England position)

Comment
 Explanatory note: The benchmark is the target 1,273. This metric describes all residents receiving funded care only placed in residential or nursing care.
 Key narrative: Discharge from hospital issues relating to the metric. The Frontrunner programme for which Croydon is one of 6 national pilots, is now well established. The key areas of focus are implementation of the transfer of care hub, increased intermediate care beds with wrap-around care.
 A lack of rehab options in an out of the hospital remain a challenge, in terms availability of therapy / trained therapist.
 There remains a gatekeeping process between health and care regarding scrutiny of proposed placements to residential care.
 Once residents are placed, there is an interim winter beds step down team, that looks to return people to their own homes/tenancies where relevant.

Indicator Ref.
M79

Outcome 5
People can lead healthier and independent lives for longer

Directorate
Adult Social Care and Health

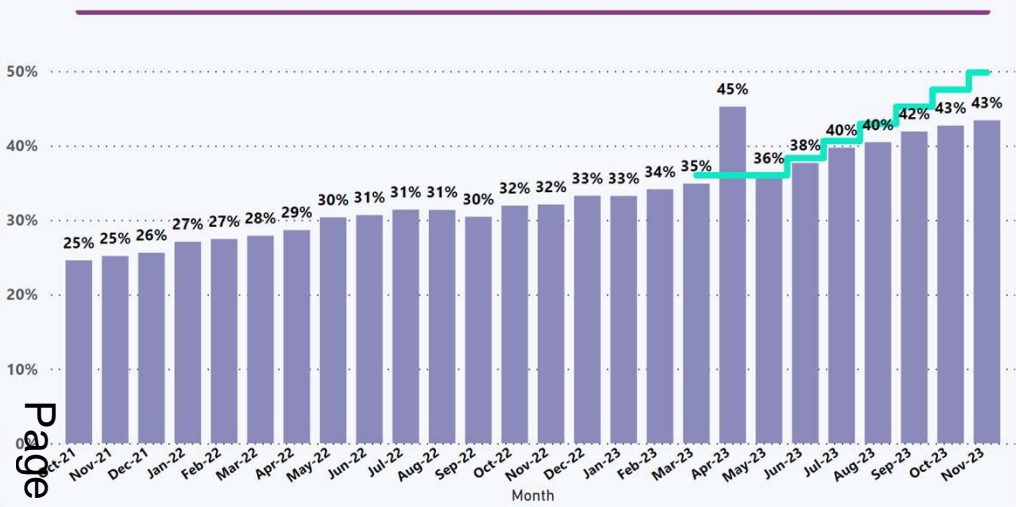
RAG status - Red

Benchmarking timeframe
FY 22-23 (London position)

Comment
 Explanatory note: Direct payments enable residents receiving funded social care services to have control of the services they chose to purchase to meet their needs.
 The benchmark is the target 24.6%, although the England average is higher at 26.2%.
 Key narrative: The November 23 rise of 2.5% is related to improved recording through data cleansing.
 Further, a project to improve take up is in place within our managing demand programme; this includes information advice and guidance, how quickly Direct Payments can be set up and commissioned services.
 The Kings Fund social care 360 report, notes post covid impacts on the provider market, challenges in developing and recruiting personal assistants (PAs), and confidence in using direct payments are all variables impacting the low take up in Croydon. In February 2022, the national vacancy rate for PAs stood at 13.1 per cent, even higher than that for care workers.

% of long term clients in care for more than 12+ months, who have had a review in the last 12 months

● Indicator value — Target — Benchmark



Indicator Ref.
M80

Outcome 5
People can lead healthier and independent lives for longer

Directorate
Adult Social Care and Health

RAG status - Red

Benchmarking timeframe
FY 22-23 (London position)

Comment

Explanatory note: The benchmark is the target – 58%. Residents receiving social care are eligible for a statutory review every 12 months.

This indicator aligns with the national Short and Long Term care (SALT) measure. This only counts reviews that took place within the last 12 months. It is a cumulative target that will increase month on month as reviews are completed.

Key narrative: There has been a significant improvement over the last year to increase the number of reviews completed. Although in the last month the Directorate has moved slightly off track to reach its 58%. However it is important to note there has been almost a 50% reduction in overdue reviews since January 2023.

The Directorate is now finalising its reviews strategy for 2024/25, this includes resource allocation, and embedding learning from the November Local Government Association's Peer Challenge of the Directorate's services.

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LONDON BOROUGH OF CROYDON

REPORT:	Cabinet	
DATE OF DECISION	14th February 2024	
REPORT TITLE:	Brick by Brick Croydon Ltd Closure Report	
CORPORATE DIRECTOR	Jane West – Corporate Director of Resources	
LEAD OFFICER:	Huw Rhys Lewis – Director of Commercial Investment & Capital	
LEAD MEMBER:	Mayor Jason Perry – Executive Mayor Cllr Jason Cummings – Lead Member for Finance	
KEY DECISION?	YES	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
CONTAINS EXEMPT INFORMATION?		Yes – Confidential Appendix A, Financial Analysis Sale vs Build Out Exempt under paragraph 3 of Schedule 12A of the Local Government Act 1972 as it relates to the financial or business affairs of any particular person (including the authority holding that information) and the public interest in withholding disclosure outweighs the public interest in disclosure.
WARDS AFFECTED:	All	

1 Summary of Report

- 1.1 This will be the final report to Cabinet that requests the decision to formally begin the process of winding down Brick by Brick Croydon Ltd. This report updates Cabinet on the final expected write off position and discusses a range of options that have been considered by the Council to achieve the most effective winddown.
- 1.2 Brick by Brick delivered a total of 751 residential units of which 385 have been affordable units and 366 have been private, this has come at considerable cost to the Council and residents. The Council has not received any dividend returns from the company, which was one of the intended aims. Instead, the Council will have no choice but to write off a large loan balance and fund the write off from its own budgets following the non-repayment of debt by BBB. The wider impact of BBB poor performance has impacted badly on the reputation of the Council and also highlighted the short comings in the governance of BBB by the then Council administration. All of these factors and costs have contributed to the £1.3billion debt position that the Council now finds itself.
- 1.3 In September 2014 Cabinet agreed to set up a wholly Council owned housing company (BBB), with the aim to address the severe shortage of homes in Croydon and increase the supply of affordable homes.

- 1.4** In February 2021, on the back of the Council's significant financial and operational challenges, which eventually led to a Section 114 notice being issued, the Council decided to cease any new activity within BBB and allow the company to build out 23 of 29 sites in its ownership and return the other 6 sites back to the Council.
- 1.5** BBB have now completed the development of the 23 sites and 4 of the 6 sites have so far been purchased back by the Council. With no new activity and immaterial assets and liabilities remaining within the company the Council is now in a position to winddown the Company. BBB is currently insolvent but is supported by the Letter of Comfort issued by the Council as shareholder. As part of the closure of BBB the Council and BBB Board aim to winddown the entity on a solvent basis and this will be subject to the final debt write off position.
- 1.6** The company however has repaid loans to the Council totalling £47.3m in 2022/23. This is in addition to the £30.4m that was repaid in 2021/22. The outstanding loan balance as at the end of March 2023 was £103.93m and all accrued interest has now been paid back to the Council. The net effect of these repayments will be to leave the Council in a position of having to write off some of the loans made to BBB estimated between £62m and £68m. The exact final amount will be dependent on the final date of the winddown and asset disposals.
- 1.7** The impact on the Council's financial position will not be as severe as it might have been due to the Council making prudent provision within its accounts of charging the full Minimum Revenue Provision (MRP) on the loans to BBB.
- 1.8** All current Directors of BBB will be asked to resign from the Board of the Company by end of March 2024. The Council will then appoint Council Officers to be Directors of BBB (being mindful of any potential conflict of interests) who will lead the solvent winddown with the support from the Company's Accountants Ensors and any appointed liquidator. The Council's Finance and Legal teams will support the winddown process and further advisory and staffing arrangement will be made available should it be required.

2 Recommendations

For the reasons set out in the report and its appendices, the Executive Mayor in Cabinet, is recommended (acting, where relevant, on behalf of the Council exercising its functions as sole shareholder of Brick by Brick Croydon Ltd):

- 2.1** To approve that Brick by Brick Croydon Ltd be closed down on a solvent basis as detailed under Option 1 of Section 8.
- 2.2** To delegate to Corporate Director of Resources (S151 Officer), in consultation with Director of Legal Services, Corporate Director Housing and Director of Commercial Investment & Capital to decide whether the Council under its Housing Revenue

Account (HRA) and/or General Fund (GF) acquire all or part of the remaining assets and liabilities of BBB if not disposed within a reasonable time frame.

- 2.3 To delegate to Corporate Director of Resources (S151 Officer), in consultation with Executive Mayor, Lead Member of Finance, Director of Legal Services, Director of Commercial Investment & Capital to negotiate the sale of Brick by Brick Croydon Ltd should an offer that improves the Council's financial position, against the winddown position, be received before the proposed winddown date of the company.
- 2.4 To delegate to Corporate Director of Resources (S151 Officer), in consultation with Executive Mayor, Lead Member of Finance, Director of Legal Services and Director of Finance to enter into any final legal agreements on behalf of the Council as Shareholder and/or Lender and make any necessary shareholder resolutions, where relevant to give effect to the recommendations and delegated decisions in this report as part of the winddown process.
- 2.5 To delegate to Corporate Director of Resources (S151 Officer), in consultation with the Executive Mayor, Lead Member of Finance, Director of Legal Service and Director of Finance to approve the final loan principle write off amount, up to £70m, at the point of winddown.
- 2.6 To delegate to the Corporate Director of Resources (S151 Officer), in consultation with the Executive Mayor, Lead Member of Finance, Director of Legal Service and Director of Commercial Investment & Capital to issue letters to current Directors requesting their resignations and to approve indemnification of liability in line with the Outside Bodies Protocol approved by Ethics Committee on 8th February 2023.
- 2.7 To delegate to Corporate Director of Resources (S151 Officer), in consultation with the Executive Mayor, Lead Member of Finance, Director of Legal Service and Director of Commercial Investment & Capital to appoint new Directors on the Board of the BBB.

3 Reasons for recommendations

- 3.1 The Council is committed to updating Cabinet on progress being made with regards to its wholly owned development company, Brick by Brick Croydon Ltd. This report will be the final standalone Cabinet report on Brick by Brick Croydon Ltd and it seeks the Executive Mayor in Cabinet's decision to agree that the final winddown process can begin and loan write off balance be agreed.

4 Background and details

- 4.1 The Council last updated Cabinet in July 2023 on plans and progress being made to dispose of all land and property assets owned by BBB.
- 4.2 BBB remains insolvent however the Council issued a new Letter of Comfort in December 2023 to the Company and its Directors to assure them and their auditors

that the company can remain a going concern. The Council continues to deliver on its plan to place BBB into a solvent position and which BBB will then be able to winddown.

- 4.3** The write off of the BBB loans will represent a loss of value to the Council and the costs of this write off will be paid for by the Council through its Minimum Revenue Provision. The impact of this will mean the Council diverting financial resources away from service delivery and into repaying the Council's borrowing that was taken out to fund BBB.
- 4.4** During the financial year 2020/21 the Council tested the market to sell the company and an offer was received from another Development company. As confirmed in the July 2021 Cabinet report on Brick by Brick, the Council rejected the offer as it resulted in a higher cost to the Council overall. The Council agreed to pursue a modified build out scenario of 23 sites and sell the remaining 6 undeveloped land site to the Council or in the market.
- 4.5** Under the part build out option the Council will have received a total of £119m in receipts from BBB, compared to a best-case projection under the sale option of £98.0m. Further analysis has been provided in confidential Appendix A.
- 4.6** The write off for the Council against the Company sale option would have been £90.7m compared to the worst-case scenario of £68m that is currently projected.

5 Operational Update

- 5.1** BBB currently has 3 employees of which one is on an interim part time basis with the Managing Director conducting much of the operations. At the time of writing this report BBB will therefore have 3 employees and 4 Directors. To support additional work related to defect queries coming through, BBB may consider additional interim staff appointments.
- 5.2** BBB's significant work currently includes supporting the sale of the Red Clover Gardens Site and deal with a number of defect queries coming through from disposals of various developments. Defects Management is time consuming, both in identifying, determining liability and rectifying defects, but also in terms of dealing with residents' complaints, which more and more are being escalated to councillors and MP's due to knowledge of the company's future.
- 5.3** It is difficult to forecast with any accuracy the total cost of defect resolution. The final end date for defects to be registered is not certain, but likely to be December 2025 for the 6 apartments at Drummond that are under offer at present. For the period 1 April & 1 July 2024 onwards, there will be about 65 private apartments still at risk of defects being notified. With the end dates flowing through until 2025.
- 5.4** The Council will need consider how best to deal with these warranties that BBB have provided to purchasers of its developments. Whilst, BBB has resources to manage these as part of its ongoing operations, once Red Clover Gardens has concluded, consideration will need to be applied as to resolving any remaining defect liabilities.

- 5.5** BBB are currently dealing with an average 10-15 new defect queries a week. The total number of defects unresolved is currently just under 200. These defects range from wobbly taps through to windows, doors or floors needing to be replaced.
- 5.6** The Council will identify resource to support the defects works in the event that liability is transferred to the Council.

6 Asset disposal update

- 6.1** Good progress has been made on disposal of Red Clover Gardens to Regen Capital however significant delays have been faced in completion of the sale.
- 6.2** At the time of writing of this report BBB are progressing the proposed transfer of Portland Place and Belgrave and Grosvenor assets to the Council. Once concluded the Council will transfer £2.071m to BBB and the two sites, at the Belgrave and Grosvenor estate in South Norwood, will transfer to the Council's HRA.
- 6.3** The total estimated remaining value of other 8 assets is c£2.3m. At the time of writing this report this included 3 residential apartments, 2 commercial units and 3 land sites. Excluding, the loan balance to the Council, the Company is currently holding onto estimated liabilities of £8m, but this excludes unknown claims to carry out any defects work to buyers who have acquired BBB properties. It is difficult to quantify the total cost of the defect liabilities as it depends on as and when issues are flagged by buyers.

7 Financial Update

- 7.1** BBB remains insolvent however is currently supported by the Letter of Comfort issued by the Council. The company however has repaid loans to the Council totalling £47.3m in 2022/23. This is in addition to the £30.4m that was repaid in 2021/22. The outstanding loan balance as at the end of March 2023 was £103.93m and all accrued interest upto March 23 has now been paid back to the Council.
- 7.2** Projections based on the latest management accounts submitted in December 23, by BBB indicate that a further £48m will be repaid back to the Council in principle loans and in interest income. As at end of December 2023, BBB had a total cash in bank of c£8.0m. The cashflow for BBB indicates that a further £48m in cash will be generated between December 2023 and March 2024. With further costs and retention refunds expected to be around £8m the net final cash payable to the Council will be c£48m.
- 7.3** This projection is based on all activity within BBB coming to a close by end of March 2024. Should this date be delayed then further operational costs will be incurred by BBB and therefore reduce the final amount of Loans paid back.
- 7.4** The £8.0m projection of costs are estimates by BBB and are inclusive of all, remedial works costs, winddown costs and repayment of existing creditors with known estimates of potential claims for defects from purchasers of BBB properties. It is expected that this provision of costs is on the high side and management of BBB will ensure that as much of this is protected to return to the Council.

- 7.5** Assuming the final loan balance and write off takes place by end of March and with the repayment of the £48m back to the Council under the existing facility agreement, the Council will receive £6.2m in interest revenue income and £41.8m will be paid back as principal payment. This will result in a final revenue income of £2.5m over the amount of interest income budgeted of £3.7m in 2023-24.
- 7.6** Since the review of Brick by Brick post the Report in Public Interest and PwC analysis, BBB generated a total of £158.6m in receipts of which the company has recycled £73.3m in receipts to complete remaining developments and cover operational costs. £77.7m has been paid back to the Council for interest and principal loan debt with the rest remaining as part of the bank balance indicated in paragraph 7.2.
- 7.7** As part of the final assets and liabilities assessment the Council will further review potential for any additional overage due to the Council as required to be tested under the Option Agreements. Option agreements stipulated that the Council should receive an additional share of any profits generated by each development that is above a pre-agreed value between the Council and BBB.
- 7.8** The Council has not lent any new funds to Brick by Brick and the company remains cashflow solvent and is successfully covering all its day-to-day operational needs. BBB continues to exit its liabilities where possible to minimise ongoing costs and retain more of the cash balance.

8 BBB Winddown Options

- 8.1** The intent has been to seek a final decision to winddown BBB and identify the debt write off balance. It was expected that by November 2023 that the Red Clover Gardens development would have been disposed, which would have allowed for clear set of recommendations to winddown.
- 8.2** Red Clover Gardens is a large site with material value, and it will be a challenge to transfer the asset to the Council particularly from an operational perspective. Good progress has however been made to complete the deal with Regen Capital with all headlease and underlease agreements at an advanced stage of being completed.
- 8.3** All options will require the Council to appoint two Council officers as Directors to BBB as current Directors and staff have indicated that they will end their contracts by end of March 2024. The appointment of Council officers as Directors of BBB will only be required if all activity has not been completed by March 2024. The appointment of these Directors will not follow the process set out in the November 2021 Governance Cabinet report, being a formal recruitment process, as BBB will be in a winddown position and therefore the expertise/ skills required are not the same as operating a business as a going concern.
- 8.4** On the premise that Red Clover Gardens site will be disposed to Regen Capital, the Council considered 4 options to winddown BBB. The total value of remaining properties

is c£2.3m with the majority of this value resting in the 3 unsold completed flats at Drummond and 2 commercial units.

8.5 In addition to the unsold assets the company has a number of liabilities, mainly to fulfil its obligations under the sale contract to manage and maintain defects within the first one or two years. Most defects will come to an end by December 2024 however in the event the 3 flats at Drummond are sold then the defect liability could extend to December 2025. The rest of liabilities will include potential staff redundancies payments and residual supplier balances such as accountant and legal fees. The cost of these has already been included within the £8.0m figure indicated in 7.4.

8.6 Under this scenario the Council has four options:

8.6.1 Option 1 – To transfer all assets and liabilities to the Council, make BBB solvent and winddown the company.

8.6.2 Option 2 – Transfer all assets to the Council, leave liabilities within BBB and place the company under a compulsory liquidation.

8.6.3 Option 3 – LBC as Lender place company under compulsory liquidation with both assets and liabilities remaining in the company.

8.6.4 Option 4 – Shareholder encourages the Directors to place the Company into voluntary liquidation once remaining loan is repaid.

8.7 Table below breaks down the benefits and risks of each option. The underlying factors for the Council to consider will be the potential impact on Directors and its own reputation due to BBB being closely associated with the Council. Option 2 to 4 in essence leaves all liabilities within the company and the Council would extricate itself from fulfilling key commitments to buyers of the properties sold by BBB. In order to protect its reputation and ensure the Council continues to support its residents along with providing support and cover to existing directors, it is recommended that Option 1 is pursued.

	Winddown Options for BBB	
	Benefits	Risks
Option 1	1. Clean and timely winddown of BBB 2. Council obtains assets to use or dispose and generate capital receipt 3. Directors' positions not compromised	1. Council will need to resource and transferred defects liabilities work 2. Council responsible for any transferred claims from buyers

<p>Option 2</p>	<p>1. Council avoids all liabilities from the Company</p> <p>2. Council obtains assets to use or dispose and generate capital receipt</p>	<p>1. May compromise the Director's position due to not meeting certain criteria under insolvency</p> <p>2. Will impact on Council's reputation as Shareholder of BBB as creditors will be impacted (mainly buyers with defects)</p>
<p>Option 3</p>	<p>1. Clean and timely winddown of BBB</p> <p>2. All work including determining final payments to Council determined by the Insolvency Practitioner</p>	<p>1. Leakage via fees being paid to Insolvency Practitioner</p> <p>2. Will impact on Council's reputation as Shareholder of BBB as creditors will be impacted (mainly buyers with defects)</p>
<p>Option 4</p>	<p>1. Clean and timely winddown of BBB</p> <p>2. All work including determining final payments to Council determined by the Insolvency Practitioner</p> <p>3. Directors' position not compromised</p>	<p>1. Leakage via fees being paid to Insolvency Practitioner</p> <p>2. Will impact on Council's reputation as Shareholder of BBB as creditors will be impacted (mainly buyers with defects)</p>

9 Alternative Options Considered

- 9.1** The Council is considering an approach by Regen Capital to acquire the entity as a going concern. The process of due diligence is underway and should a reasonable solution be received from Regen Capital that will be considered under best value consideration for the Council as the Shareholder. However, should this option materialise, it will result in less assets back to the Council but the Council will also avoid taking on the liabilities.

10 Implications

10.1 FINANCIAL IMPLICATIONS

- 10.1.1** There are no new financial risks to the Council as a result of this winddown as the Council has fully covered the risk of the outstanding debt. The Council has fully provided for all the existing debt with BBB in the Council's Minimum Revenue Provision calculations, and therefore should any further payments made by BBB will simply improve the Council's position. However, even if no payment was made then the Council's position will not get worse financially as it is all provided for in current medium term financial plans.
- 10.1.2** Nonetheless, to help reduce the financial pressures faced by the Council it is imperative the Council receives the maximum cash back and minimises the amount of debt write off. The repayment of the debt balance of c£48m will help the Council with additional cashflow and the funds will be used to paydown the Capital Financing Requirement and help reduce the future Minimum Revenue Provision costs.
- 10.1.3** The option to sell the company will need to be assessed against the option of solvently winding the Company down and the best outcome should be pursued.
- 10.1.4** BBB's cashflow has a provision to cover remaining liabilities, however in the event this provision is not sufficient there is a risk that the write off amount will be more. However, as indicated in 10.1.1 this will not result in additional financial risk to the Council but will simply reduce the benefit achievable as less cash will be repaid back to the Council.

Approved by: Head of Corporate Finance on behalf of Allister Bannin, Director of Finance (5th February 2024)

10.2 LEGAL IMPLICATIONS

10.2.1 Powers

10.2.2 Section 1 of the Localism Act 2011 states that a local authority "*has power to do anything that individuals generally may do*". This enables a local authority to act as though an individual with full capacity, unless otherwise expressly prevented or restricted by some other statutory provision. This power has underpinned prior decisions to establish and support BBB. Where the general power is relied on to carry out a commercial purpose of a local authority, that must be pursued through a limited company.

10.2.3 Therefore, under this general power the Council:

- may exercise its rights as Lender to BBB under the consolidated Facility Agreement to take the steps identified in this report; and
- may exercise its rights as the sole shareholder in BBB to take the steps identified in this report.

10.2.4 In doing so, the Council must be mindful of the Council’s financial position, its fiduciary duty (see below) and the requirement to have regard to all relevant factors and to disregard irrelevant ones. In short, the Council must act in accordance with the principles of Wednesbury reasonableness, meaning to make decisions that a rational person might make, having regard to all relevant considerations. The Council, as Lender and Shareholder of BBB, should also have full regard to its fiduciary duties and act prudently.

10.2.5 The fiduciary duty of a council, exercised by its elected members, derives from case law (e.g. *Credit Suisse v Allerdale Borough Council*) such that ‘fundamental to a public body’s accountability is the care it exercises in handling public monies’. In a local authority context, this ‘takes legal shape in the principle of their fiduciary duty to local taxpayers’. This is not a statutory requirement but an important principle of common law and one that is especially pertinent in this context.

10.2.6 In particular, Members should (i) weigh up the risks and benefits under the main options presented (as well as taking into account the other options that may be available but which are ruled out), (ii) take note of the risks under the recommended approach and especially the financial exposure by way of the writing off of a portion the consolidated loan made to the company.

BBB Articles of Association

10.2.7 Notwithstanding the fact that the day to day management of BBB is vested in the Board of Directors under BBB’s articles of association, that function is subject to matters reserved to the Council for decision under the company’s articles of association. The following is reserved to the Council, as Shareholder, under the BBB articles of association: *“Making any petition or passing any resolution to wind up the Company or making any application for an administration or winding up order or any order having similar effect in relation to the Company or giving notice of intention to appoint an administrator or file a notice of appointment of an administrator”*.

10.2.8 That decision would be subject to the general decision-making factors referred to in this section of the Report, in particular to be based on consideration of relevant factors, and made with the Council’s fiduciary duty in mind.

Voluntary liquidation and associated transactions

10.2.9 The Option 1 recommendation in this report is for a voluntary liquidation process. This can only happen if there are no liabilities in the company. If

liabilities remain, then, should a claim be made, the liquidator has the power of “claw back”. This means they can challenge transactions entered into by the company and recover property under the Companies Act 1993, for example by applying to the court to set aside transactions at an undervalue. It is therefore essential that the final assets and liabilities assessment is comprehensive with any liabilities either having been discharged or legally transferred to another entity.

10.2.10 The Option 1 recommendation will include transferring some assets and liabilities to the Council. Legal advice will be required once the scope becomes clearer and the Council will need to consider its Best Value obligations (see below), fiduciary duties (see above), procurement implications (if any contracts transfer) and subsidy control implications (see below).

10.2.11 The Council has previously entered into a number of its own transactions with BBB that it must also be considered. This will include any formal discharge of the Facility Agreement alongwith registered Charges at Companies House and the Land Registry; review of the various Option Agreements to ensure that the Council received best consideration for its previous property disposals; and, as Local Planning Authority, the discharge of any planning obligations under Section 106 Agreements.

Subsidy Control

10.2.12 The Council needs to have regard to its obligations under the subsidy control regime when deciding on the recommendations in this Report.

10.2.13 The Subsidy Control Act 2022 (the Act) provides a new framework for the provision of subsidies within the UK, building on the provisions in the subsidy control chapters of the Trade and Co-operation Agreement (TCA), which have applied in the interim of the UK’s exit from the EU. The Act took effect in January 2023 but the TCA is still relevant and the Act.

10.2.14 Under the Act, a subsidy is defined as:

- 2(1) In this Act, “subsidy” means financial assistance which—
- (a) is given, directly or indirectly, from public resources by a public authority,
 - (b) confers an economic advantage on one or more enterprises,
 - (c) is specific, that is, is such that it benefits one or more enterprises over one or more other enterprises with respect to the production of goods or the provision of services, and
 - (d) has, or is capable of having, an effect on—
 - (i) competition or investment within the United Kingdom,
 - (ii) trade between the United Kingdom and a country or territory outside the United Kingdom, or
 - (iii) investment as between the United Kingdom and a country or territory outside the United Kingdom.

10.2.15 Section 3 of the Act (Financial assistance which confers an economic advantage) explains how to determine whether financial assistance confers an economic advantage on an enterprise for the purposes of section 2(1)(b) above, and states:

10.2.16 (2) Financial assistance is not to be treated as conferring an economic advantage on an enterprise unless the benefit to the enterprise is provided on terms that are more favourable to the enterprise than the terms that might reasonably have been expected to have been available on the market to the enterprise.

10.2.17 Under the TCA, a subsidy is financial assistance which confers an economic advantage on one or more economic actors (in this case BBB), and “is specific, insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services, and has, or could have, an effect on trade or investment between the parties (meaning the UK and the EU). However, the Market Economy Operator Principle (MEOP) (referred to as the Commercial Market Operator Principle under the Act) is the principle that where a public authority does something on the same terms as a comparable economic actor would, then no subsidy arises because there is no specific ‘economic advantage’ to any other economic actor as a result.

10.2.18 In relation to subsidy control, therefore, the Council should act as a rational private-sector party would act (being sole shareholder and lender), and have followed previous financial advice identifying options that such a private sector party could rely on (i.e. focussed on how the Council may best recover the investment made to date alongside other relevant considerations such as the risks and timings involved). Once the final asset/ liabilities and debt write of position is known at the point of winddown, subsidy control implications will need to be considered further.

10.2.19 The Council is under a general Duty of Best Value to 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 of the Local Government Act 1999 (as amended by s137 of the Local Government & Public Involvement in Health Act 2007)).

10.2.20 This report also includes recommended delegations and, if approved, any subsequent decisions will require consideration of any legal implications.

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

10.3 EQUALITIES IMPLICATIONS

10.3.1 Under the Public Sector Equality Duty (PSED) of Equality Act 2010, decision makers must evidence consideration of any potential impacts of proposals on groups who share the protected characteristics, before decisions are taken. This includes any decisions relating to how authorities act as employers; how they develop, evaluate and review policies; how they design, deliver and evaluate services, and how they commission and procure services from others.

10.3.2 Section 149 of the Act requires public bodies to have due regard to the need to:

- Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected. Characteristic
- Foster good relations between people who share a protected characteristic and people who do not share it.

10.3.3 An equality analysis has been carried out in respect of resident consultation at Regina Road. The data collected via the consultation at Regina Road indicates that the proposal will have a positive impact on age, disability, sex, race and religion and belief. This is a live document and will be updated with further data when available.

Approved by Denise McCausland Equalities Programme Manager, on 07/06/2023.

10.4 HR Implications

10.4.1 There are no immediate HR implications arising from this report. Should any future implications arise these will be managed under council policies and procedures. Any Council appointments of staff, as referred to in the body of the report, will be managed under the council's recruitment processes.

Approved by: Gillian Bevan, Head of HR Resources and Assistant Chief Executives directorates on behalf of the Chief People Officer. 21/11/23

11 Background documents

- 11.1** Governance of Brick By Brick Croydon Ltd – **15th November 2021**
- 11.2** Wholly Owned Housing Company – an Option for Tackling the Shortage of Homes in Croydon – **29th September 2014**
- 11.3** Brick by Brick Croydon Ltd Update Report – **30th November 2022**
- 11.4** Delegated Decision - Acquisition of Land sites, Regina Road and Malton House, from Brick by Brick Croydon Ltd - **15th March 2023**
- 11.5** Delegated Decision - Increasing Housing Supply - purchase of Brick-by-Brick Trellis Mews (Avenue Road) – **23rd March 2023**
- 11.6** Delegated Decision, acting as lender, to approve that Brick by Brick may dispose of Block B, Heathfield Gardens development with a further price reduction as detailed in Part B of the report. – **March 2023**
- 11.7** Delegated decision, acting as lender, on Warminster and Drummond Road development – **May 2023**
- 11.8** Brick by Brick Croydon Ltd Update Report and land acquisition by HRA – **26th July 2023**

12 Appendices

- 12.1 Confidential Appendix A** – Financial return Comparison between Sale of BBB vs Part Build Out

Agenda Item 7

LONDON BOROUGH OF CROYDON

REPORT:	Cabinet
DATE OF DECISION	14 February 2024
REPORT TITLE:	Revenue Budget and Council Tax Levels 2024-25
CORPORATE DIRECTOR / DIRECTOR:	Katherine Kerswell, Chief Executive Jane West, Corporate Director of Resources (Section 151 Officer)
LEAD OFFICER:	Jane West, Corporate Director of Resources (Section 151 Officer)
LEAD MEMBER:	Councillor Jason Cummings, Cabinet Member for Finance
KEY DECISION?	<p>Yes REASON:</p> <p style="text-align: center;">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</p> <p style="text-align: right;">and</p> <p style="text-align: center;">Key Decision – Decision significantly impacts on communities living or working in an area comprising two or more Wards</p>
CONTAINS EXEMPT INFORMATION?	<p>No Public</p> <p style="text-align: right;">Grounds for the exemption: N/A</p>
WARDS AFFECTED:	All

1 SUMMARY OF REPORT:

- 1.1 In Autumn 2020 Croydon Council was issued with a Report in the Public Interest (RIPI) identifying wide-ranging and significant failures in leadership, governance and financial management. The report brought to light significant financial concerns, including serious weaknesses in Croydon’s strategy for commercial investment and residential development.
- 1.2 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 from government. In December 2020, the Council requested exceptional financial support of over £150m over four years from 2020-21. The government provided an in-year Capitalisation Direction of £70m for 2020-21 designed to address outstanding deficits and

commitments, with further Capitalisation Directions of £50m for 2021-22, £25m for 2022-23 and £5m for 2023-24.

- 1.3 Further budget issues emerged during the 'Opening the Books' exercise launched by the Executive Mayor in June 2022. This ultimately led to budget corrections of £49m for 2023-24 and prior year adjustments of £161.6m. The financial magnitude of such changes required the Council's Section 151 Officer to issue Croydon's third Section 114 report on 22 November 2022. This made it clear to all Councillors that Croydon faced a financial situation of an extremely serious nature with significant estimated unfunded financial deficits forecast from 2023-24 onwards.
- 1.4 A package of measures was subsequently agreed with central government that enabled the Council to set a balanced budget for 2023-24. These included:
 - An increase in the 2023-24 referendum cap for council tax increases from 4.99% to 14.99% for Croydon. This resulted in the Council generating additional income of £21m in 2023-24. It also meant that Croydon had the largest council tax increase in the country. The Executive Mayor made clear that this was a one-off decision to increase above the national cap and he would not support doing so again should government propose a higher referendum cap for Croydon.
 - Central government making available exceptional financial support, in the form of permission for additional borrowing to fund revenue (a Capitalisation Direction) of £63m in 2023-24 (£58m in addition to the £5m previously agreed for 2023-24).
 - A further Capitalisation Direction of £161.6m to cover the prior year legacy finance issues that were revealed through the Opening the Books programme.
- 1.5 These measures, along with the Council agreeing to make 2023-24 savings of £36m, enabled Croydon to set a balanced budget for 2023-24. The Council is therefore not currently subject to the S114(3) report issued on 22 November 2022.
- 1.6 This Report sets out a balanced 2024-25 budget and council tax charge for Croydon in accordance with the Local Government Finance Act 1992. A net budget requirement of £361.3m is proposed for 2024-25 with a 2.99% (£53.98 per year Band D) council tax increase (for the Council element excluding the GLA precept) and 2% (£36.11 per year Band D) increase regarding the adult social care precept.
- 1.7 A forward financial forecast was last presented to Cabinet on 25th October 2023. A gross budget deficit of £75m, before allowance for savings and any exceptional government financial support, was modelled for 2024-25, increasing to an annual deficit of £137m by 2027-28.
- 1.8 The October Cabinet Report set out proposed 2024-25 savings of £30.9m that could contribute towards closing the forecast deficit. It was also noted that dialogue was ongoing with the Department for Levelling-Up, Housing and Communities (DLUHC) regarding the need for a further package of exceptional government financial support. This was modelled at £38m per annum for 2024-25 and future years and reduced the forecast 2024-25 budget deficit to £6m. A period of public engagement, incorporating the

statutory consultation with businesses, was approved on the proposals set out in the Report including those for savings and growth.

- 1.9 The budget assumptions that underpin the 2024-28 financial forecast have now been refreshed and take account of the Final Local Government Finance Settlement (LGFS) announced on 5th February 2024. The savings and growth proposals have been reviewed and due regard has been had to the response to the public engagement.
- 1.10 Croydon’s finances, like those of the wider local government sector, continue to be under strain from inflationary pressures and increasing demand for essential social care, housing and welfare services. An allowance of £18.1m is made within the 2024-25 budget for inflationary pressures and £11.5m to meet demand and legacy budget pressures. Overall new inflation and growth pressures of £109m are modelled by 2027-28.
- 1.11 The Council’s historic legacy of service failings, poor financial management, weak decision making and poor governance of major investments has resulted in a debt burden that is not sustainable without government support. The most recent financial sustainability indicators¹, provided by the Office for Local Government (OFLOG), demonstrate that Croydon’s debt level, and debt servicing cost, is far higher than the median figure for both England and the Council’s nearest statistical neighbours (the 15 London boroughs that CIPFA consider are most like Croydon).

Table 1 – OFLOG Financial Sustainability Data – 2021-22 Outturn

	Croydon	Nearest neighbour median	England median
Debt servicing costs as a percentage of core spending power	16.0%	9.0%	8.0%
Total debt as a percentage of core spending power	478.6%	275.6%	226.7%

- 1.12 For 2024-25 debt servicing costs for Croydon, after allowance for the Council’s asset disposal programme, are estimated at 15% of core spending power.
- 1.13 The current expectation is that a further Capitalisation Direction of £38m will be approved by government for 2024-25 (and for subsequent years to 2027-28) with an additional legacy capitalisation direction of £9.4m for 2019-20. The Council is concerned that the continued use of Capitalisation Directions does not provide a financially sustainable solution to the Council’s future budget. Dialogue will continue with the government on identifying alternative forms of financial support such as a £540m debt write off or equivalent support that would deliver estimated annual revenue budget savings of £38m. This would enable

¹ The OFLOG data measures debt servicing costs and debt levels as a percentage of core spending power. Core spending power is a government calculated indicator that is published annually within the local government finance settlement. It indicates the core revenue funding available to a local authority, including council tax, locally retained business rates, adult social care grants and revenue support grant.

the Council to set balanced budgets that do not rely on future exceptional government financial support and do not put additional pressure on Croydon's taxpayers.

- 1.14 In January 2021 the Secretary of State for DLUHC (formerly MHCLG) appointed an Improvement and Assurance Panel (IAP) to advise, support and challenge the Council on a non-statutory basis to help deliver the Croydon Renewal Plan and address the well documented governance and financial failures across the Council. Despite the progress made in delivering the Croydon Renewal Plan, the Secretary of State concluded in July 2023 that, the reliance on Capitalisation Directions resulting from high historic debt levels meant the Council was not meeting its best value duty. The IAP was moved onto a statutory footing with a power to direct the council if they felt it was acting in a way not designed to meet its duty of best value. This power of direction has not been used and is a power of last resort. The Council has not had any powers or functions removed from it. Unlike other councils under intervention, the Secretary of State has not deemed it necessary to appoint Commissioners to Croydon Council.
- 1.15 The IAP have led the development of the Croydon Exit Strategy and have chosen to work with the Council in its production, reflecting the very close working relationship that exists. The Exit Strategy was reported to the 25 October 2023 Cabinet meeting. A crucial part of this Exit Strategy is the resolution of the Council's independent financial sustainability. Without this, the Council cannot demonstrate that it is meeting its duty of best value.
- 1.16 This Report sets out the Council's proposals for a balanced 2024-25 revenue budget which include:
- A council tax increase of 2.99% and a 2% increase in the adult social care precept levy. These do not exceed the national referendum cap limit.
 - Proposed savings, demand pressures, and inflation.
 - Legacy financial issues and budget corrections
 - Debt, borrowing costs and financial sustainability.
 - Budget risks, reserves and balances.
 - An update on discussions with government and the duty of best value
 - A statement of assurance (as required by Section 25 of the Local Government Act 2003) from the Corporate Director of Resources and Section 151 Officer that the proposed budget is robust and that the Council is holding sufficient reserves against its risks.
- 1.17 Finally, the report proposes that the Council be recommended to introduce new additional council tax charges in relation to empty properties and second homes as detailed more fully in the report to Cabinet of 22 November 2023. The Levelling-up and Regeneration Act 2023 has enabled local authorities to change the timeframe for applying empty property council tax premiums and to introduce council tax premiums on second homes. The changes are designed to bring more empty homes into productive use and to generate greater income earlier on those properties where the owner wishes them to remain empty. The changes will enable councils to raise and retain additional revenue to support local services and keep Council Tax down for residents. A report was considered by Cabinet on 22 November 2023 (Appendix H) on these changes and it is now recommended that approval is sought from Full Council to enable the necessary determinations to be made and put in place prior to the commencement of the financial year to which this budget report relates.

2. RECOMMENDATIONS

The Executive Mayor in Cabinet is recommended to:

- 2.1 Consider the responses to the budget engagement with residents and statutory consultation with businesses (set out in Section 10 of this report and detailed more fully in Appendix J).
- 2.2 Consider and have due regard to the equalities impact assessment undertaken on the budget proposals as set out in Appendix N.
- 2.3 Approve the responses to the Scrutiny and Overview Committee recommendations (to follow after publication of this report – Appendix O) on the budget proposals as set out in Section 20.
- 2.4 Approve that (subject to Full Council approving the budget and any further decisions required of the Executive) that Corporate Directors be authorised to implement their respective growth and savings proposals for 2024-25 in accordance with the recommendations within this report, the Council's Constitution, Financial Regulations, relevant Schemes of Delegation and undertake any further consultation required, including regarding the Equalities Impacts of specific decisions within the Budget envelope as approved by Full Council.
- 2.5 Propose to Full Council for approval an increase in the Croydon element of the 2024-25 council tax charge by 2.99% (Band D £53.98).
- 2.6 Propose to Full Council for approval a 2% increase (Band D £36.11) in the 2024-25 Adult Social Care precept levy.
- 2.7 Note, based on the Mayor of London's draft consolidated budget, a proposed 8.58% (Band D £37.26) increase regarding the Greater London Authority precept.
- 2.8 Propose to Full Council for approval, the calculation of budget requirement and council tax as set out in Appendix I and note that the inclusion of the GLA precept will result in a total increase of 5.69% (Band D £127.35) in the overall Croydon council tax bill.
- 2.9 Propose to Full Council for approval the setting of the Council's own total net expenditure budget for 2024-25 at £361.267m.
- 2.10 Propose to Full Council for approval the detailed programme of revenue savings, income, demand pressures and legacy budget corrections, by directorate, as set out in Appendix C.
- 2.11 Propose to Full Council the proposed £5m budget in 2024-25 to support delivery of the transformation programme.
- 2.12 Propose to Full Council the Reserves Policy set out in Appendix M.
- 2.13 Propose to Full Council for approval that the Corporate Director of Resources be authorised to collect and recover National Non-Domestic Rate and council tax in accordance with the Local Government Finance Act 1988 (as amended) and the Local Government Finance Act 1992.
- 2.14 Note the revenue budget assumptions detailed in the report and budget projections to 2027-28 made by the Corporate Director of Resources in agreement with the Chief Executive and with the Corporate Management Team.

- 2.15 Note the Council's request for a Capitalisation Direction from the Department of Levelling Up, Housing and Communities [DLUHC] of up to £38m for 2024-25, £9.439m relating to 2019-20 and current assumption that up to a further £38m per annum in exceptional financial support will be required for future years.
- 2.16 Note that all Directors will be required to report on their projected financial position compared to their revenue estimates in accordance with the 2024-25 monthly financial performance reporting timetable.
- 2.17 Note the statement (Appendix K of the Report) of the Corporate Director of Resources and S151 Officer, under Section 25 of the Local Government Act 2003, regarding the adequacy of reserves and robustness of estimates.
- 2.18 Note that the provisional Dedicated Schools Grant allocation for 2024-25 will increase by £28.583m to £466.825m (section 12 of the Report).
- 2.19 Propose to Full Council that the necessary determinations are made as billing authority under Section 11B of the Local Government Finance Act 1992 for financial year 2024-2025 to the effect that where permitted, for dwellings that have been unoccupied and substantially unfurnished for a period of at least one year the amount of Council Tax will be increased by 100% where the period is less than 5 years, by 200% where the period is at least 5 years but less than 10 years, and by 300% where the period is at least 10 years, and that the discount under Section 11(2)(a) shall not apply.
- 2.20 Propose to Full Council that the necessary determinations are made under Section 11C of the Local government Finance Act 1992 as billing authority for financial year 2025-2026 to the effect that where permitted, for dwellings where there is no resident of the dwelling and the dwelling is substantially furnished, the amount of Council Tax will be increased by 100%, and the discount under Section 11(2)(a) shall not apply.
- 2.21 Propose to Full Council that the Council Tax Support scheme (statutory local council tax reduction scheme) under Section 13A(2) of the Local Government Finance Act 1992 is not changed from that agreed by Full Council resolution on 1st March 2023.

3. BACKGROUND

- 3.1 Local government finances are under strain from inflation, the impact of cost-of-living pressures on local communities and an increase in demand for essential social care, housing and welfare services. The financial challenge for Croydon is compounded by significant, and independently well documented, local legacy (governance, financial, service delivery and structural) issues.

National Background

- 3.2 The Chancellor of the Exchequer gave an update on the state of the public

finances and the performance of the economy in the Autumn Statement² 2023. The economic and fiscal outlook set out in the Statement included:

- The economy has proved to be more resilient to the shocks of the pandemic and energy crisis than anticipated. Compared to the March 2023 National Budget there is a forecast £27 billion fiscal windfall. The Autumn Statement set out that virtually all of this will fund a 2p cut in employee National Insurance Contributions, permanent tax relief for business investment, and further welfare reforms. Previously announced public spending plans were largely unchanged.
- Inflation has been more persistent and domestically fuelled than anticipated. Consumer Price Index (CPI) inflation is now forecast to reduce from a 11% peak in October 2022 to 3% in 2024-25 before returning to the Government's 2% target in the first half of 2025.
- The 2023-24 funding allocation for local government is less generous than planned. It assumed underlying inflation (GDP deflator) of 2.5% as compared to the latest estimate of 6.1%. There has been no grant top-up to reflect this shortfall with local government absorbing the extra cost.
- 2023-24 interest rates have reached levels not seen since the 2008 financial crisis.
- Unemployment is estimated to rise to 1.6 million people (4.6 per cent of the labour force) in the second quarter of 2025.
- Beyond 2024-25 day-to-day public spending is set to increase by 0.9% in real terms on average each year from 2025-26 to 2028-29. This includes existing commitments on health, schools and childcare and implies, according to the Institute for Fiscal Studies³, a real terms funding cut of 3.4% per annum for 'unprotected' departments, such as local government.

3.3 The continuation of inflationary pressures, and the rise in the cost of living, has contributed towards an increase in demand for Croydon services, such as homelessness prevention, and higher pay and supplier costs. These impacts are embedded within the 2024-25 Croydon budget proposals with £18.1m set aside as an inflation provision and a provision of £11.5m for additional demand and legacy budget pressures.

3.4 The Autumn Statement 2023, other than a welcome unfreezing of Local Housing Allowances to covering 30% of local housing rents and an additional £120m for homelessness prevention, broadly stuck to previously announced public spending plans. The Local Government Association expressed disappointment that the growing evidence of the financial strain facing councils has not been more fully recognised.

3.5 The Secretary of State for Levelling up Housing & Communities subsequently announced, on January 24th, additional funding measures worth £600m for local authorities. This includes £500 million of new funding for councils with

² Autumn Statement - HM Treasury 22 November 2023

³ Institute for Fiscal Studies – The impact of the Autumn Statement on public services, council funding and devolution deals – 24 November 2023.

responsibility for adults and children's social care, distributed through the Social Care Grant. This new funding is intended to improve service performance and local authorities will be asked to produce productivity plans setting out how they will improve service performance. The final Local Government Finance Settlement (LGFS), confirming individual local authority allocations, was announced on 5th February 2024.

- 3.6 The depth of the financial stress emerging across local government is evidenced by three local authorities issuing s114 notices, arising from their inability to set balanced budgets between June and November 2023. This compares to three authorities (including Croydon) in the previous five years. In addition, several other councils have publicly indicated that they might need to make the same announcement in the next few months.

Local Legacy and Structural Issues

- 3.7 In Autumn 2020 Croydon Council was issued with a Report in the Public Interest identifying significant failures in leadership, governance and financial management. The Report brought to light serious financial concerns which centred on the Council's strategy of commercial investment and residential development.
- 3.8 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, which was agreed by government through the provision of capitalisation directions, of £150m over four years from 2020-21.
- 3.9 Croydon put in place the 'Croydon Renewal Plan' in response to the financial crisis and made significant progress by delivering cumulative savings of £90m over 2021-22 and 2022-23. However, the requirement upon Croydon, following external audit review and the outcome of the 'Opening the Books' exercise launched by the Executive Mayor in 2022, identified that the full scale of the financial challenges was far greater than had been originally envisaged. On-going legacy budget corrections of £49m were required for 2023-24 with prior year adjustments of £161.6m identified.
- 3.10 The seriousness of the Council's financial position resulted in the Corporate Director of Resources and S151 Officer deciding that Croydon Council's budget was not financially sustainable and issuing a Section 114 Notice from 2023-24 onwards. The section 114 Notice was issued on 22 November 2022 and reported to Cabinet on 30 November 2022. The Report concluded that the Council cannot solve its financial issues on its own and set out a range of requests of government for exceptional financial and other support.
- 3.11 A package of measures was subsequently agreed with central government that enabled the Council to set a balanced budget for 2023-24. These included:

- An increase in the 2023-24 Referendum Cap for council tax increases from 4.99% to 14.99% for Croydon.
 - Central government making available exceptional financial support, in the form of permission for additional borrowing to fund revenue (a Capitalisation Direction) of £63m in 2023-24 (£58m on top of the £5m previously agreed by government in 2021 for 2023-24).
 - A further Capitalisation Direction of £161.6m to cover the prior year legacy issues that were revealed through the Opening the Books programme.
- 3.12 These measures, along with the Council agreeing to make savings of £36m in 2023-24, enabled Croydon to set a balanced budget for 2023-24. The Council is therefore currently not subject to the S114(3) report issued on 22 November 2022.
- 3.13 The 'Opening the Books' exercise more clearly established the Council's underlying financial position. But there is still a risk that further legacy issues will emerge. As part of Croydon's response to the Provisional Local Government Finance Settlement it has requested a further legacy Capitalisation Direction of £9.4m for 2019-20. This relates to an historic contractual issue for highway works and improvements.
- 3.14 The use of Capitalisation Directions, which allow additional local authority borrowing, is the Government's only solution at this stage for councils in financial distress. A key structural problem already facing Croydon is that the Council has a high level of debt. As at the end of 2021-22 OFLOG data confirmed that the cost of servicing Croydon's debt, at 16% of core spending power, is double that for the median English authority. The subsequent further use of Capitalisation Directions has added to Croydon's debt burden. As mitigation against this debt increase the council has put in place an asset disposal programme that aims to deliver £200m of receipts over the 2022-23 to 2025-26 period. After allowing for the disposals programme the net cost of servicing Croydon's 2024-25 debt is estimated at 15% of core spending power.
- 3.15 The on-going impact of the legacy issues facing Croydon means that extraordinary government support is still necessary unless a resolution to the high cost of servicing the Council's General Fund debt of £1.4bn is found. Such support is budgeted at £38m for 2024-25 and modelled to be required at the same level for future years.
- 3.16 Dialogue has continued with government regarding the level and type of future government support. The Council's preferred option for future government support would be for a £540m debt write off or an equivalent level of revenue grant support to be provided. This would deliver estimated revenue budget savings of £38m p.a. and enable the Council to set balanced budgets that neither relied on future government support nor placed additional and avoidable pressure on Croydon's taxpayers.

3.17 For 2024-25 the Government have notified Croydon that there will be no change in how exceptional support is made available. The use of a Capitalisation Directive of £38m is now budgeted for 2024-25 and a request has been submitted for a further £9.439m relating to 2019-20. Further exceptional financial support will be required from government for future years and £38m is modelled into the MTFS on an ongoing basis.

4. THE 2024-25 BUDGET AND COUNCIL TAX REQUIREMENT

4.1 The determination of Croydon's 2024-25 net budget requirement of £361.3m and council tax requirement of £259.8m is set out in Table 2. The medium-term forecast, to 2027-28, is set out in Appendix A with a departmental and subjective budget summary for 2024-25 provided in Appendix B (to follow for Budget Council).

Table 2 – 2024-25 Budget and Council Tax Requirement

	£'m
Directorate & Corporate Base Budget	383.702
Provision for pay and contract inflation (includes £0.749m b/fwd)	18.183
Demand pressures and correction of legacy issues	11.523
Net cost of borrowing (overall cost)	65.766
Saving from the asset disposal programme	-6.684
Savings and change proposals	-23.731
Transformation programme (reduction from £10m in 2023-24)	5.000
Contingency funding (unchanged from 2023-24)	5.000
Council tax – hardship support	0.500
Gross Budget Requirement	459.259
Core Grants	-43.929
Section 31 grant for under indexing the business rates multiplier	-16.063
Government capitalisation directive	-38.000
Net Budget Requirement (as per the budget book)	361.267
Prior year collection fund Surplus	-1.798
Revenue Support Grant	-17.818
Business rates (local income and top-up Grant)	-81.890
Council Tax Requirement (including the adult social care precept)	259.761

5 BUDGET ASSUMPTIONS

5.1 Budget estimates are exactly that, estimates of spending and income at a point in time. The key assumptions that underpin the 2024-25 budget estimate are set out below.

Inflation and Economic Demand Pressures.

5.2 Inflationary pressures have decreased markedly over the past year. The Consumer Price Index (CPI), the measure targeted by the Bank of England, stood at 4.0% in December 2023 compared to 10.5% in December 2022.

5.3 The drivers behind the downturn in inflation are varied but include a faster than

expected decline in energy costs and downwards pressure on prices from rising interest rates. Although inflation has decreased the OBR⁴ noted that inflationary pressures are more persistent than previously thought. They expect it to be below 5% by the end of this year and reach 2% in the first half of 2025.

- 5.4 There is a risk that some of this year's higher inflation will feed through to council costs with a lag. For example, the 2024-25 increase in the London Living Wage (LLW) is 10.04%, up from £11.95 per hour to £13.15 per hour. This followed the government's increase to the National Living Wage, set when 2023-24 inflationary pressures were peaking. The Council is committed, as part of the Ethical Care Charter, to ensure that relevant social care provision takes this increase into account.
- 5.5 For Croydon an inflation provision of £32.9m was made in 2023-24 of which:
- £1.2m was required to meet catch-up pressures from 2022-23.
 - £20.7m has been allocated in 2023-24 to meet contract and price pressures. This is based on review of detailed directorate requests.
 - £10.3m was allocated to fund the 2023-24 pay award (equivalent to a 6.5% pay award)
 - A balance of £0.75m remains unallocated.
- 5.6 For 2024-25 the MTFS Update report to October Cabinet allowed for an inflation provision of £17m based on the expected easing in inflationary pressures. Whilst inflation is still forecast to reduce significantly it is now proposed to top-up the £17m with the unallocated 2023-24 provision of £0.75m and an additional £0.389m. An overall 2024-25 provision of £18.183m will provide additional financial cover should, as the OBR suggest, inflation prove to be more persistent than previously anticipated. £18.183m could be seen to fund an estimated 2024-25 4% pay award of £6.4m with £11.783m of funding for non-pay inflation.
- 5.7 For years beyond 2024-25 the forecast budget allows for a further easing in inflationary pressures with a provision of £12m. This could be seen to fund a 2% pay award of £3.2m with £8.8m funding for non-pay inflation.
- 5.8 The use of the 2024-25 inflation provision will be controlled corporately and drawn down in accordance with the national pay award and agreement of specific directorate pressures. The latest report⁵ of the Bank of England Monetary Policy Committee highlighted downside and upside risks to their latest inflation forecast, for example the downside impact if geopolitical tensions and supply disruption ease more quickly, or upside risk if the external cost shocks on inflation take longer to unwind than they did to emerge. For Croydon the risk that actual inflationary pressures will be significantly more, or less, than budgeted will be closely monitored with updates provided within the monthly Cabinet financial performance reports.

4 OBR – November 2023 Economic and fiscal outlook Report to accompany the Autumn Statement.

5 August 2023

5.9 The 2023-24 budget also included a £5.5m provision (economic demands and pressures) that allowed for the broader impact of the increase in the cost of living on the Council. As at month 8 (November 2023) £4.6m of the 2023-24 budget has been allocated to fund on-going pressures regarding homelessness (£2.2m), housing benefit subsidy shortfalls (£1.7m) and an increase in caseloads for children’s social care workers (£0.7m). The unallocated balance will not be carried forward in 2024-25 and is released to fund other pressures. For financial modelling purposes, the medium term forecast allows for an additional £5m per annum to be set aside from 2025-26 onwards.

5.10 A budget of £2m was set aside in 2023-24 as a Council Tax Hardship Fund to protect low-income households that find themselves in financial difficulty due to the increase in the Croydon Council Tax. Actual spend from the Hardship Fund is not forecast to exceed £0.5m in 2023-24 and the 2024-25 budget is rebased at this lower level. As set out in Appendix G there has been a significant increase in the local council tax support caseload over the past year which equates to a forecast reduction in the 2024-25 council tax base of 1,052 Band D equivalent properties – an income loss of £2m. The reduction in the Hardship Fund partially mitigates this impact.

5.11 A contingency of £5m is retained within the 2024-25 budget against emergent financial risks. As at month 8 (November) none of the 2023-24 risk contingency of £5m is forecast to be used.

Demand Pressures and Legacy Budget Corrections

5.12 The 2024-25 budget includes £11.5m, as summarised in Table 3 and detailed in Appendix C, to meet necessary demand pressures, such as those arising from demographic growth, and to correct legacy issues.

5.13 The Opening the Books exercise launched by the Executive Mayor in July 2022 required budget corrections of £49m for 2023-24 with prior year adjustments of £161.6m. This better established the Council’s true underlying financial position and there is less risk of further historic legacy issues emerging. Legacy budget corrections of £0.8m are included within the 2024-25 budget.

Table 3 – 2024-25 Demand Pressures and Budget Corrections

Directorate	Demand Pressures £'000s	Legacy Budget Corrections £'000s	Total £'000s
Children, Young People and Education	0	0	0
Adult Social Care and Health	4,530	0	4,530
Housing	0	0	0
Sustainable Communities	722	306	1,028

Regeneration and Economic Recovery			
Assistant Chief Executive	3,708	500	4,208
Resources	1,686	0	1,686
Corporate	71	0	71
Total	10,717	806	11,523

5.14 New demand and demographic pressures will emerge beyond 2024-25 and an overall allowance of £14m per annum is modelled for future years. This is in line with the growth provided over the past 2 years.

5.15 The 2024-25 Final Local Government Finance Settlement (LGFS) confirmed a £3.8m grant increase for the adult social care discharge fund and market sustainability and improvement fund. The 2024-25 Croydon budget directly allocates this funding for use by Adult Social Care. It supplements the £4.5m set aside within the 2024-25 Croydon budget to meet demand and demographic pressures.

Savings and Transformation

5.16 Given Croydon's financial challenges, the Council must reduce its expenditure significantly over the medium-term. This does mean difficult decisions on the services the Council provides and ultimately, as set out in the Executive Mayor's Business Plan, the Council will need to do less and spend less in the future.

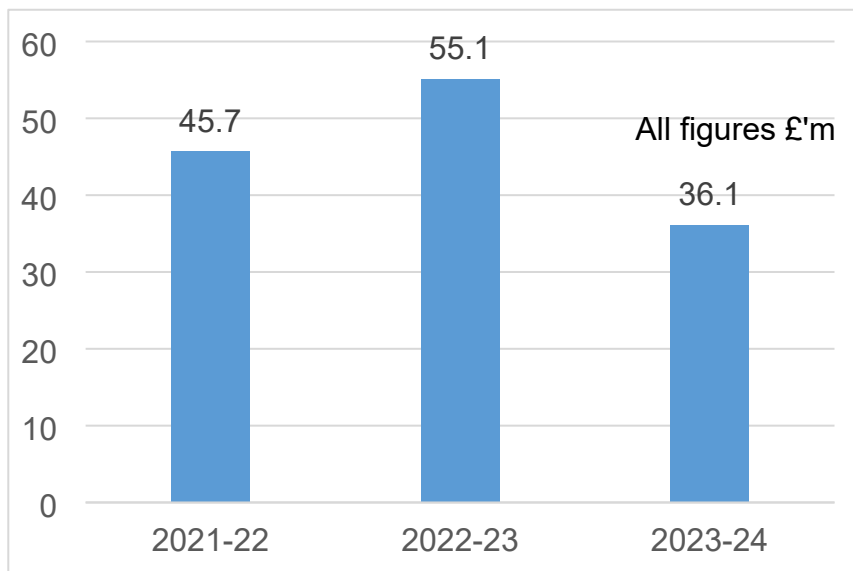
5.17 As set out in Table 4 overall savings of £30.4m are proposed for 2024-25. The savings have been developed in accordance with guidance from the Corporate Director of Resources and have been through a robust process of development and challenge with the Executive Mayor, Cabinet Members, the Chief Executive, the Corporate Management Team, service directors and managers. They have also been subject to review by the Scrutiny and Overview Committee and formed part of the public engagement process regarding the 2024-25 budget.

Table 4 – 2024-25 Savings and Change proposals by Directorate.

Directorate	£000s
Children, Young People and Education	2,972
Adult Social Care and Health	5,000
Housing	1,989
Sustainable Communities Regeneration and Economic Recovery	1,353
Assistant Chief Executive	4,245
Resources	6,672
Corporate	1,500
Total (Appendix C)	23,731
Debt servicing saving from asset disposals	6,684
Overall	30,415

- 5.18 Directorate savings of £23.7m are proposed for 2024-25 and are summarised in Appendix C. These include incremental savings of £6m that were originally put forward within the 2023 budget process. The asset disposal programme will deliver an estimated 2024-25 saving of £6.7m in debt servicing costs.
- 5.19 The savings programme is focused on the Council's priorities:
1. The Council balances its books, listens to residents and delivers good, sustainable services.
 2. Croydon is a place of opportunity for business, earning and learning.
 3. Every child and young person in Croydon has the chance to thrive, learn and fulfil their potential.
 4. Croydon is a cleaner, safer and healthier place, a borough to be proud of.
 5. People can lead healthier and independent lives for longer.
- 5.20 The scale of savings required by the Council cannot be met through 'salami-slicing' or just stopping some services. Croydon is committed to service transformation that delivers both financial and service benefits. The Council set aside £10m to fund transformation work in 2023-24 and a further £5m per annum is budgeted for 2024-28. An update on the transformation projects is provided in Appendix D. Given the magnitude of Croydon's financial challenge the level of the transformation budget will be regularly reviewed so that the transformation plans can be delivered safely and sustainably.
- 5.21 Beyond 2024-25, the MTFs models savings of £20m per annum. Given the financial pressures the Council faces, it will strive to go further than this as long as it is safe to do so. As set out in Chart 1 the Council has identified an average of £45m+ per year in savings from 2021-22 to 2023-24. These annual savings are significantly higher than other London boroughs and our statistical neighbours. This is not sustainable for the future and would risk hollowing out the services received by residents.

Chart 1- Budget Savings 2021-22 to 2023-24



Net Cost of Borrowing

- 5.22 Given the Council’s high debt burden the 2024-28 capital programme only covers essential work on assets such as operational buildings, roads, parks and ICT infrastructure so that future debt charges are minimised.
- 5.23 The Council’s asset base is under continual review to identify surplus assets that can be sold. This will generate capital receipts that can avoid further borrowing and/or repay debt. Two tranches of assets have already been approved by the Executive Mayor in Cabinet for immediate sale. The asset disposal programme aims to generate capital receipts of £200m over the 2022-23 to 2025-26 period of which £148m is forecast to be receivable by the end of 2023-24.
- 5.24 The 2024-25 budget for the net cost of borrowing is £65.8m prior to forecast savings of £6.7m from asset sales. The net budget of £59.1m provides for debt servicing costs of £61.7m (interest payable on borrowing and the annual charge to revenue for debt repayment – the minimum revenue provision) that is partially offset by investment income of £2.6m. The debt servicing cost is forecast to be 15% of 2024-25 core spending power.
- 5.25 The 2024-25 budget for the net cost of borrowing, and future forecast, aligns with the proposed 2024-28 capital programme and Treasury Management Strategy. It includes the use of capitalisation directions as set out in Table 5. The forecast assumes that further capitalisation directions of £38m per annum are required from 2025-26 onwards. The estimated additional annual debt servicing cost for each £38m tranche is £2.5m per annum.

Table 5 – Budgeted Capitalisation Directions

	£'m
Prior to 2023-24	145.0

Legacy issues to 2022-23 (agreed for 2023-24 Budget)	161.6
2023-24 – Existing	5.0
2023-24 – New	58.0
2024-25 – New	38.0
2025-26 – assumed	38.0
2026-27 – assumed	38.0
2027-28 – assumed	38.0
Total government support	£521.6m
Additional legacy request in relation to a highways contractual issue.	£9.4m

5.26 As exemplified in Table 5 the agreed capitalisation direction for 2023-24 of £63m and assumed requirement of £38m per annum for the next 4 years will increase borrowing need by £215m. This compares to the potential generation of £200m in receipts from the asset disposal programme. The asset disposal programme will mitigate the impact of further capitalisation directives but will not enable in-roads to be made into Croydon’s historic debt burden.

Government Grant and Business Rates Funding

5.27 The Final Local Government Finance Settlement (LGFS) was announced by a written Ministerial statement on 5th February 2024. The core grant and revenue support grant funding receivable by Croydon in 2024-25 is set out in in Appendix E. There is a net increase of £5.8m from 2023-24 in general grants. This includes an additional allocation of Social Care Grant of £2.9m following the announcement by the Secretary of State for Levelling up Housing & Communities, on January 24th, of additional funding measures worth £600m for local authorities.

5.28 The 2024 Final LGFS is for one year only. The assumptions that underpin the Council’s forecast beyond 2024-25 are set out in Appendix E and will be updated as part of the 2025-26 budget strategy.

5.29 For business rates the small business rate multiplier will be frozen for a fourth year at 49.9p, while the standard multiplier will be uprated by September CPI to 54.6p. The current 75% relief for eligible Retail, Hospital and Leisure (RHL) properties is being extended for 2024-25. Local authorities will be fully compensated for the loss of income arising from these measures.

5.30 The current business rate forecast is set out in Appendix F and takes account of the uplift in the business rate multiplier. The forecast has been updated in line with the annual NNDR1 return submitted to government. For future years an annual 2% inflationary uplift is modelled. There is no underlying growth in the tax base with the impact of appeals, empty buildings and deletions expected to offset the addition of new hereditaments.

5.31 The final entries have been completed regarding 2022-23 business rates and an update provided on the 2023-24 position. As set out in Appendix F prior

year deficits of £1.8m are now modelled which form part of a proposed drawdown of £3.5m from the business rates and collection fund smoothing reserve of £8.4m.

6. REQUEST FOR GOVERNMENT SUPPORT

- 6.1 The magnitude of the financial challenge facing Croydon means that it cannot become financially and operationally sustainable without significant central government assistance.
- 6.2 The current budget modelling identifies a requirement of £38m per annum from 2024-25 to 2027-28. This is a reduction from the requirement for a capitalisation direction of £63m in 2023-24.
- 6.3 As set out in Table 5 it is currently assumed that future government support of £38m per annum will be provided through the use of capitalisation directions. This replicates how central government has previously supported the Council and will in 2024-25. The Council is concerned that the continued use of capitalisation directions, which add to Croydon's debt burden and negate the benefits from the asset disposal programme, will not provide a financially sustainable solution to the Council's future budget. A disproportionately high level of savings is already required to fund the annual cost of debt repayment.
- 6.5 A debt reduction, or equivalent grant support, would recognise both the unique 'toxic' debt burden faced by Croydon but also the burdens it has taken on without sufficient funding capacity to service the debt.
- 6.6 Further to the announcement of the 2024-25 Provisional LGFS it is expected that exceptional government financial support will continue to be facilitated through use of a Capitalisation Direction of £38m in 2024-25. An additional legacy request, relating to 2019-20, of £9.439m has also been submitted concerning the highway works and improvements contract. This is modelled within the Croydon budget proposals.

7. COUNCIL TAX BASE AND CHARGE

- 7.1 The determination of the tax base is delegated to the Corporate Director of Resources (S151) Officer and is 137,040.4 Band D equivalents for 2024-25. This is a decrease of 190 Band D equivalent households from 2023-24 to 2024-25. The report agreed by the Corporate Director of Resources (S151) Officer is attached as Appendix G.
- 7.2 Although the number of dwellings has increased in line with the trend growth seen over the past 5 years the 2024-25 tax base has decreased due to an upturn in the level of discounts offered through the local council tax support scheme and number of students qualifying for council tax exemptions.

- 7.3 The Levelling-up and Regeneration Act 2023 achieved Royal Assent on 26 October 2023. It allows councils to apply a Council Tax premium of up to 100% on homes which have been empty for longer than one year (rather than the two years currently in place). Full Council will be recommended to approve this and other Council tax changes in respect of empty dwellings as detailed in full in the 22 November 2023 Cabinet report, Appendix H to this report. The tax base forecast includes a net uplift of 141 dwellings based on adoption of these changes. Full Council are required to consider whether to approve this change, and to charge a premium on second homes from 2025-26.
- 7.4 From 1 April 2022 the Council changed the Council Tax Support Scheme to an income band scheme. This means that weekly household income is used to determine the percentage of Council Tax support provided.
- 7.5 At the Council budget meeting on 1 March 2023, it was resolved to “Change the rate at which the income bands are increased annually from the level of Consumer Price Index (CPI) 10.1% to the amount Council Tax is increased for that year which could be up to 15% cap.” The income band levels increase being in line with Council Tax increase was only for 2023-24 and therefore the Council Tax Support Scheme will revert from 1 April 2024 to increase the income bands in line with consumer price index (CPI) year on year inflation as at September in the prior year.
- 7.6 The forecast council tax collection rate of 97.5% is unchanged from 2023-24.
- 7.7 The Band D council tax charge for Croydon is calculated by dividing the council tax requirement by the council tax base. The figures for 2024-25 are:

A	Croydon Council Tax Requirement	£259,761,449
B	Tax Base (Band D equivalent)	137,040.40
A / B	Band D Charge	£1,895.51

7.8 This represents an increase in the Croydon element of the council tax charge of 2.99% and a 2% levy for the adult social care precept. The weekly increase in the Band D charge for the Croydon element of council tax is £1.73 (annual £90.09 and daily £0.25)

7.9 As part of the Localism Act 2011, the Government replaced the power to cap excessive budgets and council tax increases with a statutory duty to undertake a referendum on proposed council tax increases above limits it sets. For 2024-25 the relevant basic amount of council tax of Croydon London Borough Council has been determined by government as being excessive only 'if the authority's relevant basic amount of council tax for 2024-25 is 5% (comprising 2% for expenditure on adult social care, and 3% for other expenditure), or more than 5%, greater than its relevant basic amount of council tax for 2023-24'. The 2024-25 Croydon Council tax increase is below 5% and will not require a referendum.

8 PRECEPTOR'S COUNCIL TAX REQUIREMENTS

8.1 The Greater London Authority's (GLA) precept is also funded from council tax. The following table analyses the total amount to be funded and the resulting proposed overall Band D council tax level.

A	GLA Council Tax Requirement	64,600,845
B	Tax Base (Band D equivalent)	137,040.40
A / B	Band D Charge	471.40

8.2 The Mayor for London has proposed a Band D charge of £471.40 This is subject to formal approval by the Mayor for London following the London Assembly meeting of 22 February 2024. The proposed GLA charge represents an increase of £37.26, or 8.58%, compared to 2023-24.

9 TOTAL 2024-25 COUNCIL TAX REQUIREMENT

9.1 The overall amount to be met from the council tax, subject to confirmation of the GLA precept, is £324.4m.

A	Croydon Council Tax Requirement	£259,761,449
B	GLA Council Tax Requirement	£64,600,845
C	Total Council Tax Requirement	£324,362,294

9.2 In accordance with the Local Government Finance Act 1992, the Council is required to calculate and approve a council tax requirement for its own budgetary purposes (section 9) and then add the separate council tax requirements for each of the preceptors (section 10). The requisite calculation is set out in Appendix I.

9.3 The Council must then set the overall council tax for the Borough. These calculations must be carried out for each of the valuation bands, A to H. The amount per Band D equivalent property is calculated as follows:

A	Total Council Tax Requirement	£324,362,294
B	Tax Base (Band D equivalent)	137,040.40
A/B	Band D Charge	£2,366.91

Prior year Collection Fund adjustments

9.4 The Local Government and Finance Act 1988 requires that all council tax and non-domestic rates income is paid into a Collection Fund, along with payments out regarding the Greater London Authority precept, the business rates retention scheme and a contribution towards a Council's own General Fund. Adjustments are made to future years for the difference between the actual, and budgeted income collected.

9.5 For Croydon a net council tax collection fund surplus of £2.230m is estimated for 2023-24, which relates to the finalisation of amounts for 2022-23, of which the Croydon share is estimated at £1.798m.

10. BUDGET ENGAGEMENT

10.1 An update on the Medium-Term Financial Strategy 2024-25 to 2027-28 was considered by Cabinet on 25th October 2023. It was agreed, in line with the Executive Mayor's commitment to listen to Croydon's residents, that a public engagement programme be launched to allow residents, partners, the voluntary, community and faith sector and other interested parties to provide their views and feedback on the revenue budget proposals set out in the

Report. The public engagement programme would also cover the annual statutory budget consultation with local businesses.

- 10.2 The budget engagement subsequently ran on the Council's online platform from 6th November 2023 for six weeks. It gave residents and businesses the opportunity to provide their views on the services and areas of spending which are most important for them and offer the opportunity to comment on how specific savings proposals may impact them and what mitigations the Council may wish to consider.
- 10.3 The Budget engagement was publicised across all Council communications channels including social media, shared with local voluntary, community and faith sector organisations, resident associations, local businesses and other partners, and publicised in the Council's libraries and children's centres with staff briefed to support residents and print copies of the information and survey if needed.
- 10.4 Separate individual service consultations with service users, staff and trade unions will also be undertaken ahead of implementation of individual savings proposals where required.
- 10.5 The feedback from the consultation (public engagement) is summarised in Appendix J. 939 responses were received with respondents giving greatest priority to support for elderly and vulnerable residents, services for children, young people, families and education and rubbish and recycling collections. The lowest ranked service areas, according to respondents, were libraries, culture and leisure and sports facilities.
- 10.6 In answering how the budget proposals will affect them, the key themes of concern were (number of responses are shown in brackets):
- Increase in council tax (248)
 - Cost of living (50)
 - Service cuts and reductions (38).
- 10.7 This report recommends that the Executive Mayor in Cabinet consider the responses to the budget engagement with residents and statutory consultation with businesses as set out in Appendix J. Officers have reviewed the feedback and are content that the proposals in the report are not inconsistent.

11 VIEWS OF THE DIRECTOR OF FINANCE UNDER SECTION 25 of the LOCAL GOVERNMENT ACT 2003

11.1 Under Section 25 of the Local Government Act 2003, the Corporate Director of Resources (Section 151 Chief Finance Officer) is required to include, in the budget report, her view of:

- the robustness of the 2024-25 estimates.
- the adequacy of the balances and reserves the budget provides for in light of the medium-term risks facing the authority.

11.2 As set out in Appendix K the Corporate Director of Resources is satisfied with the accuracy and robustness of the estimates included in this report. It should be noted that budget estimates are exactly that, estimates of spending and income at a point in time. This statement about the robustness of estimates cannot give a guaranteed assurance about the budget but gives Members reasonable assurances that the budget has been based on the best available information and assumptions.

11.3 Reserves play a crucial role in good public financial management. As well as providing resilience against unexpected events or emergent needs they enable investment in service transformation and council priorities. An update on the key medium term financial risks facing Croydon is set out in Appendix K with key directorate risks detailed in Appendix L.

11.4 The Council has a well-documented history of the imprudent use of reserves to balance its budget and has taken robust action over the past four years to restore reserves from a negative base. This action will be strengthened by putting in place, as set out in Appendix M, a reserves policy for 2024-25.

11.5 The current estimate of reserves that will carry forward to 2023-24 are summarised in Table 6. The current estimate is still subject to review through the closedown of the accounts process for 2019-20 to 2022-23. The estimated general fund balance was £27.5m at the start of 2023-24 and is not anticipated to change prior to the start of 2024-25. The Corporate Director of Resources is of the view that this should be the minimum level of general fund balance that the Council holds given its scale, complexity as a unitary council and historically high-risk profile.

Table 6 – Reserves Carried Forward to 2023-24

	Balance 1st April 2023 £'m
Earmarked Reserves	60.4
Restricted Reserves	76.8
Balances held by Schools	6.7
General Fund Balances	27.5
Total	171.4

11.6 As set out in Appendix K it is the view of the Corporate Director of Resources that the 2024-25 budget provides for an adequate level of balances and reserves considering the medium-term risks facing the authority.

11.7 Over the longer-term the Council faces a significant challenge to identify further savings that balance the budget. The current Budget modelling identifies a target for new savings of £20m per annum beyond 2025-26. However, there is an annual £38m shortfall driven by the cost of debt in the Council's ongoing annual budget which is currently assumed to be funded from annual Capitalisation Directions, which in turn will generate more cost pressures from their associated debt charges. This is not a sustainable financial position and will need to be resolved.

12. DEDICATED SCHOOLS GRANT

12.1 Dedicated Schools Grant (DSG) is paid to the Council by the Secretary of State under Section 14 of the Education Act 2003. DSG is provided outside of the LGFS and must be allocated, in line with the associated conditions of the School and Early Years Finance Regulations, to the schools' budget in the year in which it is paid.

12.2 As shown in Table 7 Croydon's provisional DSG allocation for 2024-25 will increase by £28.583m to £466.825m. The key growth areas are the High Needs, Early Years and Schools Block. The growth allocated to the School's Block was £5.701m representing an 2024-25 increase of 1.82%.

Table 7 – Croydon DSG Allocations

Financial Year	Schools Block	Central Services Block	High Needs Block	Early Years Block	Total DSG
	(£'m)	(£'m)	(£'m)	(£m)	(£m)
2023-24	313.433	4.728	89.704	30.377	438.242
2024-25	319.134	4.696	92.227	50.768	466.825
Change	5.701	-0.032	2.523	20.391	28.583

12.3 **Schools Block** - The Schools Block of £319.134m funds mainstream schools from reception class to Year 11 (nursery and sixth-form funding are excluded). Croydon has 109 schools with 50,578 pupils according to the most recent Department for Education (DfE) data. This is a net increase of 101 from last year.

12.4 Whilst local authorities allocate the school's block budget the DfE is moving towards implementing a National Funding Formula (NFF). For 2024-25 local authorities must move their local formula factor values at least 10% closer to the NFF, except where their local factor is already mirroring the NFF.

12.5 Croydon local factors largely mirror the NFF and the current changes are unlikely to have a significant impact. There may be a small benefit for secondary schools.

12.6 Table 8 sets out the funding breakdown of the Schools Block across primary and secondary schools and the percentage grant change from 2023-24.

Table 8 – Schools Block

	2023-24 (A)	2024-25 (B)	Total Change (C) = (B) - (A)	Value change	Percentage Change
	(A)	(B)	(C)		
Primary School Rate of Funding (£'s)	5,383.68	5,477.01	93.33	£2,919,409	1.73%
Primary School Pupil Numbers (no)	31,280.50	31,278.50	-2.00	-£10,954	-0.01
Primary Block Funding (£'s)	168,404,202	171,312,657	2,908,455	£2,908,455	1.73%
Secondary school Rate of Funding (£'s)	7,278.90	7,391.76	112.86	£2,166,404	1.55%
Secondary school Pupil Numbers (No)	19,195.50	19,299.33	103.83	£767,486	0.54%
Secondary Block Funding	139,722,125	142,656,016	2,933,891	2,933,891	2.09%
Premises (£; s)	3,243,546	3,446,676	203,130	203,130	6.26%
Growth (£'s)	2,063,504	1,718,503	-345,001	-345,001	-16.72%
Overall Total	313,433,377	319,133,852	5,700,475	5,700,475	1.82%

- 12.7 Primary school numbers have fallen by two pupils (31,279 – 31,281), whilst secondary school numbers have increased by 103 (19,299 – 19,196). Several primary schools are facing financial challenges due to a reduction in their pupil numbers over recent years and the low percentage increase in 2024-25 funding.
- 12.8 The funding formula factors used to determine each individual school budget allocation are set by the DfE. The funding rates and local factors were reviewed and thereafter recommended by Croydon Schools Forum on 6th November 2023 with Cabinet approval on 31st January 2024.
- 12.9 **High Needs Block (HNB)** – This grant supports all special education needs (SEN) provision including, maintained special schools, independent special schools and SEN support in mainstream schools. The HNB national funding factors are largely based upon historical factors.
- 12.10As set out in Table 9 there is a 2.8% increase in 2024-25 HNB funding. The percentage increase in the basic allocation is 7.19% but the DfE are no longer providing the additional high-needs allocation received in 2023-24. The HNB includes the minimum funding requirements for special schools highlighted in the 2023-24 DfE operational guide.

Table 9 – High Needs Block

Financial Year	Basic Allocation	Other elements	Import / Export	Hospital education, AP, Teachers pay/pension and supplementary funding factor	Additional high needs allocation (£s)	Total
	(£'s)	(£'s)	(£'s)	(£'s)	(£'s)	(3's)
2023-24	80,165,501	7,199,777	-2,775,000	1,433,437	3,680,676	89,704,391
2024-25	85,933,273	7,635,729	-2,790,000	1,447,663	0	92,226,665
Change	5,767,772	435,952	-15,000	14,226	-3,680,676	2,522,274

12.11 The High Needs funding pressures have become more acute since the introduction of the Children and Families Act 2014 and the requirement to meet the needs of 18 to 25 year-old students. For Croydon there was a budget gap of £1.8m last year.

12.12 Many local authorities have a HNB deficit due to the demands referred to above. If an authority has an overall DSG deficit of one per cent or more at the end of the previous financial year it is required to submit a deficit recovery plan. At the close of 2022-23 the cumulative Croydon deficit was £15.4m. The Council signed a “Safety Valve” agreement with the DfE last year which is designed to assist local authorities that have the highest cumulative percentage DSG deficits on their balance sheet.

12.13 The rationale is to inject cash in the form of both capital and revenue to fund the provision of more school places for children with special educational needs and disabilities (SEND) as well as clear the agreed historical deficits. Croydon signed a Safety Valve agreement for a £27.4m cash intervention, through which Croydon received £10.96m in March 2023 and is expecting another £3.29m in 2023-24 provided that the financial targets signed under the agreement are met.

12.14 The government recently confirmed the extension of the Statutory Override for the DSG deficit for the years, from 2023-24 to 2025-26. This means that the DSG deficit is not an immediate financial risk to the local authority.

12.15 **Early Years Block** – This block covers funding for pupil’s free entitlement across all early year’s settings. There is a universal free entitlement of 15 hours per week, but some pupils are eligible for 30 hours. The funding allocations for 2024-25, compared to 2023-24 are shown in Table 10.

12.16 The reason for the significant increase is that the government introduced 15 hours entitlement for eligible working parents of children from 9 months to 2 years old (new entitlement from 1 September 2024) and 15 hours entitlement for eligible working parents of 2-year-old children from 1 April 2024. From September 2025, eligible working parents of children aged nine months and above will be able to access 30 hours (over 38 weeks a year) from the term following their child turning nine months to when they start school.

Table 10 – Early Years Block

	2023-24	Change	2024-25
3&4 Year Old Funding Rate (£'s)	5.78	0.98	6.76
3&4 Year Old (units)	7,919.62	201.19	8,120.81
15 hrs * 38weeks	570.00	0	570
3&4 Year Old Funding (£'s)	26,091,980	5,199,125	31,291,105
2 Year Old Funding Rate (£'s)	6.63	3.49	10.12
2 Year Old Funding Rate (units)	849.16	1,366.75	2,215.91
15 hrs * 38weeks	570	0	570
2 Year Old Funding (£'s)	3,209,060	9,573,195	12,782,255
under 2 years Old Funding Rate (£'s)	0	13.79	13.79
under 2 years old early years (units)	0	675.10	675.10
15 hrs * 38weeks	0	570	570
Under 2 Year Old Funding (£'s)	0	5,306,489	5,306,489
Early years pupil premium	168,855	118,176	287,031
Disability access fund	134,136	115,204	249,340
Initial supplementary funding allocation	773,262	78,364	851,626
Total Funding	30,377,293	20,390,553	50,767,846

12.17 An Early Years National Funding Formula was introduced in April 2017. It aims to ensure that all early year settings are funded at the same rates within each local authority. The main risk with this block is the challenges faced by the Maintained Nursery schools due to funding shortfalls and existing deficits. The service is working with these schools on their three-year deficit recovery plan.

12.18 **Central Services Schools Block** - The Central Services Schools Block (CSSB) consists of two parts – on-going functions and historic commitments.

12.19 The 2024-2524 CSSB allocations are set out in Table 11. This includes protection for historic prudential borrowing costs and historical teacher pension costs.

Table 11 – Central Services Schools Block

	CSSB Unit of Funding	CSSB Pupil Count	On-going Commitments	Funding for Historic Commitments	Total Central School Services Block
	(£'s)		(£'s)	(£'s)	(£'s)
Year 2023-24	52.93	50,476.00	2,671,694	2,056,320	4,728,014
Year 2024-25	52.20	50,577.83	2,640,163	2,056,320	4,696,482
Change	-0.73	101.83	-£31,521	0.00	-31,531.27

12.20 On-Going Commitments.

The main expenditure type under on-going responsibilities includes:

- a) licences negotiated centrally by the Secretary of State for all publicly funded schools
- b) Schools Admissions Remission of boarding fees at maintained schools and academies and Servicing of school's forums.
- c) Finance, Internal Audit cost and management salaries related to education functions.

The reduction in grant by £0.032m will be met by savings within the service.

12.21 Historic Commitments. The DfE policy team agreed on the protection of funding for historic commitments following a submission to the DfE by the Council. The protection covers the prudential borrowing and historical teachers' Pension costs. Without such protection the grant funding would have reduced by 20%. There is a future risk that such protection may not continue.

13 FINANCIAL IMPLICATIONS

13.1 As set out throughout this report.

14 LEGAL IMPLICATIONS

Setting the Council Tax

14.1 The Local Government Finance Act 1992 ("The Act") sets out the statutory framework for the setting of Council Tax. Section 1 ('Council tax in respect of dwellings') provides for the Council, as a billing authority, each financial year, to levy and collect Council Tax in respect of dwellings within its areas.

14.2 Section 30 ('Amounts for different categories of dwelling') sets out how the Council should calculate the amount of Council Tax by taking the aggregate of-

- a) the amount which, in relation to the year and the category of dwellings, has been calculated (or last calculated) by the authority in accordance with sections 31A, 31B and 34 to 36
- (b) any amounts which, in relation to the year and the category of dwellings have been calculated in accordance with sections 42A, 42B and 45 to 47 below and have been stated (or last stated) in accordance with section 40 in precepts issued to the authority by major precepting authorities.

14.3 Section 31A ('Calculation of council tax requirements by authorities in England') provides that the Council must calculate in the year the aggregate of—

- “a) the expenditure which the authority estimates it will incur ... in performing its functions and will charge to a revenue account...,
- b) such allowance as the authority estimates will be appropriate for contingencies in relation to amounts to be charged or credited to a revenue account ..,
- c) the financial reserves which the authority estimates it will be appropriate to raise ..for meeting its estimated future expenditure,
- d) such financial reserves as are sufficient to meet so much of the amount estimated by the authority to be a revenue account deficit for any earlier financial year as has not already been provided for,
- da) any amounts which it estimates will be transferred ...from its general fund to its collection fund in accordance with regulations under section 97(2B) of the 1988 Act,
- e) any amounts which it estimates will be transferred ...from its general fund to its collection fund in accordance with section 97(4) of the 1988 Act, and
- f) any amounts which it estimates will be transferred from its general fund to its collection fund pursuant to a direction under section 98(5) of the 1988 Act and charged to a revenue account ...” (Section 31A(2))

14.4 In addition, the Council must calculate in the year the aggregate of—

- “a) the income which it estimates will accrue to it... and which it will credit to a revenue account.....,
- a) any amounts which it estimates will be transferred .. from its collection fund to its general fund in accordance with regulations under section 97(2A) of the 1988 Act,
- b) any amounts which it estimates will be transferred.... from its collection fund to its general fund in accordance with section 97(3) of the 1988 Act,
- c) any amounts which it estimates will be transferred from its collection fund to its general fund pursuant to a direction under section 98(4) of the 1988 Act and will be credited to a revenue account....., and
- d) the amount of the financial reserves which the authority estimates it will use in order to provide for the items mentioned in subsection (2)(a), (b), (e) and (f) above.” (Section 31A(3))

14.5 Section 31A(4) provides that if the aggregate calculated under subsection (2) above exceeds that calculated under Section 31A(3) above, the authority must calculate the amount equal to the difference; and the amount so calculated is to be its council tax requirement for the year. This is in effect the duty to set a balanced budget.

14.6 When estimating under Section 31A(2)(a) referenced above, the authority must take into account—

a) the amount of any expenditure which it estimates it will incur in the year in making any repayments of grants or other sums paid to it by the Secretary of State, and

b) the amount of any precept issued to it for the year by a local precepting authority and the amount of any levy or special levy issued to it for the year. (section 31A(6))

However, except as provided by regulations under section 41 below or regulations under section 74 or 75 of the 1988 Act, the authority must not anticipate a precept, levy or special levy not issued. (Section 31A(7)) **The relevant council tax setting calculations for Croydon are set out in Appendix I.**

14.7 Section 30(7) provides that no amount may be set before the earlier of the following-

a) 1st March in the financial year preceding that for which the amount is set;

b) the date of the issue to the authority of the last precept capable of being issued to it (otherwise than by way of substitute) by a major precepting authority for the financial year for which the amount is set.

14.8 Furthermore, no amount may be set unless the Council has made in relation to the year the calculations required by the Act (Section 30(8)). Any purported setting of an amount, if done in contravention of subsection (7) or (8) above, shall be treated as not having occurred (Section 30(9)). Therefore, the statutory budget calculation set out in the 1992 Act must be adhered to. If not, the Council Tax resolution may be invalid and void.

14.9 Any amount to be set as Council Tax must be set before 11th March in the financial year preceding that for which it is set (i.e., before 11th March 2023), but is not invalid merely because it is set on or after that date (Section 30(6) and Section 31A (11)). The rider in Sections 30(6) and 31A(11) (“but they are not invalid merely because they are made on or after that date”) should not be seen as permission to make the calculations later, but merely as a means of limiting the scope of legal challenges to the budget if an authority breaches the duty to set the Council Tax before 11th March 2023. A delay to agreeing

the budget may also have significant financial, administrative, and legal implications.

- 14.10 Section 66 of the 1992 Act provides that the setting of the budget (and this includes the failure to set or delay in setting the budget) can be challenged by an application for judicial review, with either the Secretary of State or any other person with sufficient interest (which could include a council taxpayer) able to apply.
- 14.11 Section 52ZB ('Duty to determine whether council tax excessive') requires the Council to determine whether its relevant basic amount of council tax for a financial year is excessive. If it is excessive, then there is a duty under s.52ZF - s.52ZI to hold a referendum. Section 52ZC ('Determination of whether increase is excessive') provides that determining whether the Council Tax is excessive must be decided in accordance with a set of principles determined by the Secretary of State and approved by a resolution of the House of Commons. The Referendums Relating to Council Tax Increases (Principles)(England) Report 2023-24 sets out the principles for the financial year beginning on 1st April 2023, and for Croydon it provides that *"For 2024-25, the relevant basic amount of council tax of Croydon London Borough Council is excessive if the authority's relevant basic amount of council tax for 2024-25 is 5% (comprising 2% for expenditure on adult social care, and 3% for other expenditure), or more than 5%, greater than its relevant basic amount of council tax for 2023-24."*
- 14.12 Section 65 ('Duty to consult ratepayers') provides for the Council to consult with representatives of non-domestic ratepayers about the proposed revenue and capital expenditure before the budget requirement is calculated.
- 14.13 Section 67 ('Functions to be discharged only by authority') provides that the functions described above to set the Council Tax budget shall be discharged only by Full Council.
- 14.14** Section 25 of the Local Government Act 2003 ("LGA 2003") ('Budget calculations: report on robustness of estimates etc) provides that the Council's Chief Finance Officer must report to it on the following matters-(a) the robustness of the estimates made for the purposes of the calculations, and (b) the adequacy of the proposed financial reserves. The Council shall have regard to the report when making decisions about the budget calculations. **The views of the Director of Finance are set out in Appendix K.**
- 14.15 Section 26 LGA 2003 ('Minimum reserves') requires that when setting the budget requirement, the reserves include a minimum level for controlled reserves - this minimum level is determined by the Chief Finance Officer.
- 14.16 Section 27 LGA 2003 ('Budget calculations: report on adequacy of controlled reserve') requires that the Chief Finance Officer to report on the inadequacy

of controlled reserves - i.e., when it appears that the level of a controlled reserve is inadequate or likely to become inadequate and action required to prevent such a situation arising in the financial year under consideration. **The views of the Director of Finance on risk, revenue balances and earmarked reserves are set out in section 11 of this report.**

- 14.17 Members will be aware of the requirement to consider the Council's obligations under the Equality Act 2010 as detailed more fully in the Equalities Considerations, at Section 15 below.

Members' Common Law Duties

- 14.18 When considering the budget proposals, the Council (and its Members), as well as having a duty to ensure that the Council acts in accordance with its statutory duties, must act reasonably and must not act in breach of its fiduciary duty to its ratepayers and Council Tax payers.
- 14.19 In reaching decisions on these matters, Members are bound by the general principles of administrative law. Local authority decisions need to be rational, prudent, and made in accordance with recognised procedures. A local authority's discretion must not be abused or fettered, and all relevant considerations must be taken into account. No irrelevant considerations may be taken into account, and any decision made must be one which only a reasonable authority, properly directing itself, could have reached. The resources available to the Council must be deployed to their best advantage.
- 14.20 There is an overriding legal duty on Members to act prudently, responsibly, in a business-like manner and in the best interests of the general body of local taxpayers. In deciding upon expenditure, the Council must fairly hold a balance between recipients of the benefits of services provided by the Council and its local taxpayers. Members should note that their fiduciary duty includes consideration of future local taxpayers as well as present local taxpayers. Fiduciary duty is also likely to include acting in good faith with a view to complying with statutory duties and financial prudence in the short and long term.
- 14.21 The obligation to set a lawful balanced budget each year is shared equally by each individual Member. The budget must not include expenditure on items which would fall outside the Council's powers. Expenditure on lawful items must be prudent, and any forecasts or assumptions such as rates of interest or inflation must themselves be rational. Power to spend money must be exercised bona fide for the purpose for which they were conferred, and any ulterior motives risk a finding of illegality.
- 14.22 In determining the Council's overall budget requirement, Members are bound to have regard to the level of Council Tax necessary to sustain it. Essentially

the interests of the Council Taxpayer must be balanced against those of the various service recipients.

- 14.23 In approving the respective budget envelope, Full Council is not making decisions as to the implementation, form, or detail of service delivery. These are by law matters for the Executive. In making subsequent decision on service provision changes to achieve savings or budget reduction, the Executive must comply with statutory requirements including consultation obligation and equalities duties.

Constitution (Budget and Policy Framework Procedure Rules)

- 14.24 Under Regulations 4 (Paragraphs 9 to 11) of The Local Authority (Functions and Responsibilities) (England) Regulations 2000 the Executive is responsible for preparing and submitting to Full Council estimates of the amounts to be aggregated for the purposes of Council Tax calculations, and to undertake any reconsideration of those estimates that Full Council require. As a consequence of Section 67 Local Government Finance Act 1992, the function of making or approving the required calculations – and, in that sense, approving the budget – remains one for the Full Council itself. That function is non-delegable.
- 14.25 The Budget and Policy Framework Procedure Rules in Part 4.C of the Constitution sets out the process to be followed in developing the budget proposals. The Procedure provides for the following: a) the responsibility of the Executive for the preparation of budget proposals; b) consideration of the responses from Scrutiny and Overview Committee by the Executive in drawing up budget proposals for submission to Full Council; c) the option available to political groups to prepare an alternative or amended budget proposals and the notice and Chief Finance Officer certification requirements on any motions to amend the Executive proposals; and d) the dispute resolution process in the event that Full Council objects to the Executive budget proposals.
- 14.26 The Procedure defines the budget as: The identification and allocation of financial resources for the following financial year(s) by the Full Council including:
- Revenue Budgets;
 - Capital Budgets;
 - The Council Tax base;
 - The Council Tax level;
 - Borrowing requirements;
 - Prudential indicators;
 - The Medium-Term Financial Strategy; and
 - The level of Uncommitted Reserves.

Arrears of Council Tax and Voting

14.27 In accordance with section 106 of the 1992 Act ('Council tax and community charges: restrictions on voting'), where a payment of Council Tax that a member is liable to make has been outstanding for two months or more at the time of a meeting, the Member must disclose the fact of their arrears (though they are not required to declare the amount) and cannot vote on any of the following matters if they are the subject of consideration at a meeting: (a) Any decision relating to the administration or enforcement of Council Tax. (b) Any budget calculation required by the Local Government Finance Act 1992 underlying the setting of the Council Tax. (c) Any recommendation, resolution or other decision which might affect the making of the Annual Budget calculation. The requirement applies to all committee meeting including the meeting of Full Council and the Executive. A breach is a criminal offence.

Council tax on empty homes premiums:

14.27As detailed in the report to Mayor in Cabinet on 22 November 2023, under Section 67 of the Local Government Finance Act 1992, the function of making a determination under Section 11B in relation to long-term empty dwellings as recommended in this report, or under the new Section 11C in relation to dwellings occupied periodically as recommended in this report, must be discharged only by Full Council.

14.28If Full Council makes the recommended determination under Section 11B, notice of it must be published in at least one local newspaper before the end of a 21 day period starting with the date of the determination. Likewise, a similar notice must be published if full Council makes the recommended determination under the new Section 11C. A billing authority's first determination under the new Section 11C must be made at least one year before the beginning of the financial year to which it relates.

14.29The increases recommended to Full Council are the maximum by which Council Tax can be increased under Section 11B and the new Section 11C. Billing authorities are required to have regard to any guidance issued by the Secretary of State in exercising their functions under Section 11B and Section 11C.

Approved by: Stephen Lawrence-Orumwense Director of Legal Services and Monitoring Officer – 6th February 2024

15 EQUALITIES IMPACT

15.1 Under the Public Sector Equality Duty of Equality Act 2010, decision makers must evidence consideration of any potential impacts of proposals on groups who share the protected characteristics, before decisions are taken. This includes any decisions relating to how authorities act as employers; how they develop, evaluate and review policies; how they design, deliver and evaluate services, and also how they commission and procure services from others.

- 15.2 Section 149 of the Act requires public bodies to have due regard to the need to:
- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
 - advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
 - foster good relations between people who share a protected characteristic and people who do not share it.
- 15.3 Protected characteristics defined by law are race and ethnicity, disability, sex, gender reassignment, age, sexual orientation, pregnancy and maternity, and religion or belief and marriage and Civil Partnership.
- 15.4 Having due regard means there is a requirement to consciously address the three tenets of the Equality Duty within decision-making processes. By law, assessments must contain sufficient information to enable the local authority to show it has paid 'due regard' to the equalities duties; and identified methods for mitigating or avoiding adverse impact on people sharing protected characteristics. Where a decision is likely to result in detrimental impact on any group with a protected characteristic it must be justified objectively. The Council will ensure that there is sufficient mitigation when a service has been changed so that there is no detrimental impact on service users as a result of the change.
- 15.5 The budget proposals have been assessed in line with the Council's equality impact analysis processes (EIA), as part of a risk-based approach to analyse potential equalities impact of budget proposals. Budget holders have identified where proposals are likely to have an impact on those with protected characteristics (i.e. race, sex, disability, religion or belief, sexual orientation, pregnancy and maternity, age, gender identity and marriage and civil partnership). Where necessary, the potential for mitigating measures is explored. The EIA process continues alongside the development of policy and operational changes and during their implementation.
- 15.6 The recent pressures caused by higher inflation have been considered in a number of the equality assessments. Nationally it is recognised that households have struggled with rising bills and more are reliant on support. Fuel inflation has had a particularly challenging impact over the last two years.
- 15.8 As a result, particular consideration has been given in the equality analysis to proposals which include increases in fees and charges, the proposed increase in Council Tax, and considering the responses from the budget engagement activity. Also a separate EQIA was completed in relation to fees and charges which were presented to Cabinet on 6 December 2023.
- 15.9 Intelligence from the Council Tax Support Scheme EQIA in 2023 provides the following data which highlights the equality characteristics most affected by increases:
- 31% of council tax claimants are disabled
 - in 28% of council tax claims either the claimant or partner are disabled and neither are in work
 - 85% of claimants are single
 - 16,260 of the claims made by single people are females, and

- 6,263 are from males
 - 38 active claims where the claimant or partner are in receipt of maternity pay.
- 15.10 The impact of any council tax changes will of course be mitigated either entirely or in part should a resident be eligible for an exemption from council tax or for a reduction in their council tax, e.g. from the Council's Council Tax Support Scheme. In addition, the Council is proposing through this budget to continue the additional Hardship Fund set up in 2023-24, at £0.5m in 2024-25, which has been available for households struggling to pay the extra council tax increase in 2023-24.
- 15.11 The Hardship Fund will continue to be administered in a manner that will leave flexibility for residents impacted by the council tax increase who are in extenuating circumstances including job losses, increased debts from utilities and debts in other areas such as housing costs. The eligibility for this fund is significantly different from the existing Council Tax Support Scheme and does not use the same income based criteria. This should provide support for residents affected by in work poverty.
- 15.12 Existing mitigation for residents will also remain in place (such as discounted rates for residents with disabilities, carers, as well as existing hardship schemes, such as in Housing).
- 15.13 The Council will continue to commission external independent information, advice & guidance service for residents, with a particular focus on debt management, increasing income and avoiding homelessness. Residents can also contact Croydon Council Money Advice Service for advice on paying your bills and debt worries. All advice is independent and confidential.
- 15.14 In delivering against the Executive Mayor's Business Plan, the Council will also seek to identify opportunities to improve services and work with partners and communities to minimise any adverse impacts of decisions, particularly in regard to groups that share protected characteristics. In doing so the Council will focus on another core priority to focus on providing the best quality core service we can afford, in particular social care for the most vulnerable people and providing opportunities for children and young people, along with opportunities to learn.
- 15.15 In respect of specific proposals, it is likely that some proposals may result in new policies or policy or service changes. Separate EQIAs have been prepared, where needed, and will inform the final proposal and its implementation, on a case by case basis. In addition, any decisions which need to be taken in furtherance of the budget proposals will be undertaken in accordance with the duty set out in Section 149 of the Equality Act 2010 and where appropriate further Equality Assessments will be undertaken and form part of the decision-making process.

Approved by: Helen Reeves, Interim Head of Strategy and Policy, 5/2/2024.

16 ENVIRONMENTAL IMPACT

16.1 None direct from the budget report specifically, but will be considered as part of the implementation of any of the proposals contained in this report.

17 CRIME AND DISORDER REDUCTION IMPACT

17.1 As set out in the body of the report and appendices.

18 DATA PROTECTION

18.1 None direct from the budget report specifically, but will be considered as part of implementation of any of the proposals contained in this report.

19 HUMAN RESOURCES IMPACT

19.1 The implementation of the savings proposals will, in a number of instances, have a staffing impact. The Council has a legal and policy obligation to seek to avoid compulsory redundancy, where possible. Where organisational change is proposed which impacts on structure, such as through restructures or transfers, this will be managed in accordance with the Council's policies and procedures, including consultation with those staff potentially impacted upon and their trade union representatives, and application of the Council's redeployment scheme, where appropriate.

Approved by: Dean Shoesmith, Chief People Officer, 31/1/2024.

20. SCRUTINY AND OVERVIEW COMMITTEE

20.1 The budget proposals are due to be considered by Scrutiny and Overview Committee on the 12th of February. An update on any recommendations made by the Committee will be provided to Cabinet and the Cabinet response noted.

LIST OF APPENDICES

- A Summary of the 2024 Medium-Term Financial Strategy forecast
- B General Fund Departmental and Subjective Budget summary (to follow for Budget Council)
- C General Fund growth and savings proposals
- D Transformation Programme
- E Government Grant
- F Business Rates Forecast
- G 2024-25 Croydon Tax Base

- H Empty Homes and Second Homes
- I Recommendations for Council Tax Requirement 2024-25 and Council Tax charge by Band.
- J Budget Proposals for 2024-25 – Feedback from the Public Engagement Process
- K Statement by the Director of Resources (section 151 Officer) on the robustness of the budget estimates and the adequacy of balances and reserves.
- L Directorate Financial Risks
- M Reserves Policy
- N 2024-25 Budget EQIA
- O Budget Scrutiny Report and Executive Response (to follow)

BACKGROUND DOCUMENTS

Cabinet Report - 25th October 2023

London Borough of Croydon - 2024-28 Medium Term Financial Plan

Assumes continued capitalisation directions of £38m per annum

	2024-25	2025-26	2026-27	2027-28
	£'m	£'m	£'m	£'m
Departmental and Corporate Base Budget	383.702	383.702	383.702	383.702
Demand and demographic pressures	10.717	22.292	27.232	32.369
Provision for future demand and demographic growth		2.425	11.485	20.348
Legacy budget corrections	0.806	1.306	1.806	2.306
Proposed Savings	-23.731	-30.706	-35.725	-35.751
Saving in borrowing costs from asset disposals	-6.684	-9.167	-9.947	-9.947
Future savings target beyond 2024-25 (assumes overall increase in incremental savings of £20m per annum)		-13.025	-28.006	-47.980
Provision for inflation	18.183	30.183	42.183	54.183
Net cost of borrowing (interest, MRP & investment income)	65.766	67.506	67.336	67.356
Risk/contingency provision	5.000	5.000	5.000	5.000
Economic demand pressures contingency	0.000	5.000	10.000	15.000
Council Tax Hardship fund	0.500	0.500	0.500	0.500
Transformation investment	5.000	5.000	5.000	5.000
Gross Budget Requirement	459.259	470.016	480.566	492.086
Core grant funding	-43.929	-44.368	-44.812	-45.260
Use of the capitalisation directive	-38.000	-38.000	-38.000	-38.000
Business Rates - compensation grant for under indexing the business rates multiplier	-16.063	-16.384	-16.712	-17.046
Net Budget Requirement (as per the budget book)	361.267	371.263	381.042	391.780
Financing				
<i>Government Grants:</i>				
Revenue Support Grant	-17.818	-17.996	-18.176	-18.358
<i>Croydon Resources</i>				
Business rates top-up grant	-38.146	-38.909	-39.687	-40.481
Business rates income	-43.744	-42.885	-43.743	-44.617
Council tax (4.99% increase modelled for 24/25, a 2.99% increase per annum thereafter),	-259.761	-269.459	-279.140	-289.171
Prior year collection fund surplus	-1.798	0.000	0.000	0.000
Total Financing	- 361.267	- 369.249	- 380.746	- 392.627

Budget deficit excluding new savings	- 0.000	2.015	0.296	- 0.848
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Cumulative (surplus) / deficit	- 0.000	2.015	2.311	1.464
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Summary of Departmental Budget Proposals

Savings and Change Proposals

Figures are incremental

	2024-25 £'000s	2025-26 £'000s	2026-27 £'000s	2027-28 £'000s
Children, Young People & Education	-2,972	-142	0	0
Adult Social Care & Health	-5,000	-4,000	-4,000	0
Housing	-1,989	-589	-993	0
Sustainable Communities Regeneration & Economic Recovery	-1,353	-333	0	0
Assistant Chief Executive	-4,245	-891	-26	-26
Resources	-6,672	-1,020	0	0
Corporate / Council wide	-1,500	0	0	0
Total	-23,731	-6,975	-5,019	-26

Demand Pressures

	2024-25 £'000s	2025-26 £'000s	2026-27 £'000s	2027-28 £'000s
Children, Young People & Education	0	0	0	0
Adult Social Care & Health	4,530	4,712	4,900	5,096
Housing	0	0	0	0
Sustainable Communities Regeneration & Economic Recovery	722	3,500	0	0
Assistant Chief Executive	3,708	3,324	0	0
Resources	1,686	0	0	0
Corporate / Council wide	71	39	40	41
Total	10,717	11,575	4,940	5,137

Legacy Budget Corrections

	2024-25 £'000s	2025-26 £'000s	2026-27 £'000s	2027-28 £'000s
Children, Young People & Education	0	0	0	0
Adult Social Care & Health	0	0	0	0
Housing	0	0	0	0
Sustainable Communities Regeneration & Economic Recovery	306	0	0	0
Assistant Chief Executive	0	0	0	0
Resources	500	500	500	500
Corporate / Council wide	0	0	0	0
Total	806	500	500	500

Net Budget Movement

Savings, demand pressures & legacy budget corrections	2024-25 £'000s	2025-26 £'000s	2026-27 £'000s	2027-28 £'000s
Children, Young People & Education	-2,972	-142	0	0
Adult Social Care & Health	-470	712	900	5,096
Housing	-1,989	-589	-993	0
Sustainable Communities Regeneration & Economic Recovery	-325	3,167	0	0
Assistant Chief Executive	-537	2,433	-26	-26
Resources	-4,486	-520	500	500
Corporate /Council wide	-1,429	39	40	41
Total budget change	-12,208	5,100	421	5,611

Children, Young People & Education

Savings and Change proposals

Figures are incremental

Pro-Formas	Service	Description	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
<i>Incremental/new savings identified in the 2023-24 Medium Term Financial Plan</i>						
2023 MTFS	Social Work with Children Looked After and Care Leavers	Reduce spend on Children Looked After placements	-330			
2023 MTFS	Early Years Team	Develop family hubs and introduce external funding	-1,300			
<i>Incremental/new savings identified in the 2024-25 Medium Term Financial Plan</i>						
2024-28 SAV CYPE 002	Safeguarding and Quality Assurance	Croydon Safeguarding Children Partnership back office restructure	-50			
<i>Transformation Projects</i>						
<i>Incremental/new savings identified in the 2023-24 Medium Term Financial Plan</i>						
2023 MTFS	Directorate wide	Review all joint funding arrangements across education, health and care	-250			
2023 MTFS	Social Work with Families and 0-17 Children with Disabilities	Calleydown – increasing capacity and reducing respite costs	-142	-142		
<i>Incremental/new savings identified in the 2024-25 Medium Term Financial Plan</i>						
2024-28 SAV CYPE 003	Children Looked After and care experienced young people	Review of Children Looked After placements	-900			
Total of Planned Savings			-2,972	-142	0	0

Net Budget Movement

Figures are incremental

Children, Young People & Education	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Proposed savings	-2,972	-142	0	0
Demand pressures	0	0	0	0
Net Budget Movement	-2,972	-142	0	0

Adult Social Care & Health

Savings and Change proposals

Figures are incremental

Pro-Forma	Service	Description	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Incremental/new savings identified in the 2024-25 Medium Term Financial Plan						
Transformation Projects						
2024-28 SAV ASCH 001	Departmental wide	Adult Social Care Transformation*	-5,000	-4,000	-4,000	
Total of proposed savings			-5,000	-4,000	-4,000	-

*Please note that the savings figures for 2025-26 and 2026-27 are indicative only at this stage and will be reviewed next year following completion of the diagnostic work.

Demand Pressures

Figures are incremental

Pro-Forma	Division	Description	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
New demand pressures identified in the 2024-25 Medium Term Financial Plan						
2024-28 GRO ASC 001	Departmental wide	Demographic growth	4,530	4,712	4,900	5,096
Total Demand Pressures			4,530	4,712	4,900	5,096

Net Budget Movement

Figures are incremental

Adult Social Care & Health	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Proposed savings	-5,000	-4,000	-4,000	0
Demand pressures	4,530	4,712	4,900	5,096
Net Budget Movement	-470	712	900	5,096

Housing

Savings and Change proposals

Figures are incremental

Pro-Forma	Service	Description	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Notes
<i>Incremental/New savings identified in the 2023-24 Medium Term Financial Plan</i>							
2023 MTFS	Emergency and Temporary Accommodation	Housing Needs restructure including Dynamic Purchasing System implementation	-625				
2023 MTFS	Emergency and Temporary Accommodation	Temporary accommodation occupancy checks	-300				
2023 MTFS	Emergency and Temporary Accommodation	Temporary accommodation case review (discretionary cases)	-450				
2023 MTFS	Emergency and Temporary Accommodation	Data cleanse & rent accounts (income collection)	-200				
2023 MTFS	Emergency and Temporary Accommodation	Repurpose general needs voids for emergency accommodation	-175	-175			
2023 MTFS	Emergency and Temporary Accommodation	Demand management	-239	-414			
<i>Incremental/New savings identified in the 2024-25 Medium Term Financial Plan</i>							
2024-28 SAV HSG 001	Emergency and Temporary Accommodation	Demand management			-653		
2024-28 SAV HSG 002	Emergency and Temporary Accommodation	Supported Housing contracts review			-240		
2024-28 SAV HSG 003	Emergency and Temporary Accommodation	No Recourse to Public Funds			-100		
Total proposed savings			-1,989	-589	-993	0	

Demand Pressures

Figures are incremental

Pro-Forma	Division	Description	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
<i>New demand pressures identified in the 2024-25 financial plan</i>						
Total demand pressures			0	0	0	0

Net Budget Movement

Figures are incremental

Housing	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Proposed savings	-1,989	-589	-993	0
Demand pressures	0	0	0	0
Net Budget Movement	-1,989	-589	-993	0

Sustainable Communities Regeneration & Economic Recovery

Savings and Change Proposals

Figures are incremental

Pro-forma	Service	Description	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
<i>Incremental/New savings identified in the 2023-24 Medium Term Financial Plan</i>						
2023 MTFS	Leisure	Redesign leisure sports development service	-45			
2023 MTFS	Planning and sustainable regeneration	The charging of a percentage of salaries in Planning and Regeneration to income sources other than General Fund eg Growth Zone, Community Infrastructure Levy and external grants		17		
2023 MTFS	Directorate wide	Realignment of one-off investment of public health grant in libraries (£0.200m) and physical activities (£0.200m). Reversal of one-off saving in 2023-24	400			
<i>Incremental/New savings identified in the 2024-25 Medium Term Financial Plan</i>						
2024-28 SAV SCRER 001	Violence Reduction Network	Community Infrastructure Levy funding substitution for CCTV	-150	-150		
2024-28 SAV SCRER 003	Spatial Planning, Growth Zone and Regeneration	Deletion of posts in Spatial Planning & Regeneration	-122			
2024-28 SAV SCRER 004	Strategic transport	Strategic Transport	-65			
2024-28 SAV SCRER 005	Employment, Skills and Economic Development	Employment, Skills and Economic Development	-60			
2024-28 SAV SCRER 007	Directorate Wide	Fees and charges		-200		
2024-28 SAV SCRER 008	Waste Collection	Charging for replacement waste containers	-30			
2024-28 SAV SCRER 009	Waste Collection	Clinical waste – remodelled service offer (sanitary/offensive waste)	-30			
<i>Transformation Projects</i>						
2023 MTFS	Building Control	Building control	-300			
2024-28 SAV SCRER 002	Highways and Parking	Fees and charges - Changes to parking policy	-951			
Total of proposed savings			-1,353	-333	0	0

Demand Pressures

Figures are incremental

Pro-Forma	Division	Description	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
<i>Incremental/new demand pressures identified in the 2023-24 Medium Term Financial Plan</i>						
2023 MTFS	Waste & Recycling	Refuse contract		2,500		
2024-28 SAV SCRER 006	Highways and Parking	Deferral of highways maintenance		1,000		
<i>Incremental/new demand pressures identified in the 2024-25 Medium Term Financial Plan</i>						
2024-28 GRO SCRER 001	Corporate Resilience	Full time apprentice for resilience and emergency planning team and increase in on call payments to volunteers for emergency response	32			
2024-28 GRO SCRER 002	Culture, Leisure & Libraries	Contract management support for large, platinum & gold level contracts	70			
2024-28 GRO SCRER 003	Independent travel	Special Education Needs Transport – Student Number Cost Driver	620			
Total of demand pressures			722	3,500	0	0

Legacy Budget Corrections

Figures are incremental

Pro-Forma	Division	Description	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
2024-28 GRO SCRER 004	Highways and Parking	Right size Highways staff recharge budget	306			
Total legacy budget corrections			306	0	0	0

Net Budget Movement

Figures are incremental

Sustainable Communities Regeneration & Economic Recovery	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Proposed savings	-1,353	-333	0	0
Demand pressures	722	3,500	0	0
Legacy budget corrections	306	0	0	0
Net Budget Movement	-325	3,167	0	0

Assistant Chief Executive

Savings and Change proposals

All figures are incremental

Pro-Forma	Service	Description	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Incremental/New savings identified in the 2024-25 Medium Term Financial Plan						
2024-28 SAV ACE 001	Directorate Wide	Fees and charges including film office income generation	-66	-26	-26	-26
2024-28 SAV ACE 002	Human Resources and Organisation Development	Human Resources - Transformation	-50	-50		
2024-28 SAV ACE 003	Strategy and Policy	Reverse Equality, Diversity and Inclusion team expansion	-50			
2024-28 SAV ACE 004	Concessionary Travel	Concessionary Fares reduced activity	-1,037	-815		
2024-28 SAV ACE 005	Strategy and Policy	Delete vacant PPP National Graduate Development Programme (NGDP) trainee post	-42			
2024-28 SAV ACE 006	Public Health	Substitution funding from Public Health Grant and Contain Outbreak Management Fund Grant	-3,000			
Total of proposed savings			-4,245	-891	-26	-26

Demand Pressures

All figures are incremental

Pro-Forma	Division	Description	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Incremental/new demand pressures identified in the 2023-24 Medium Term Financial Plan						
2023 MTFS	Concessionary Travel	Increase in the Croydon contribution to the TfL freedom pass scheme	3,708	3,324		
Total demand pressures			3,708	3,324	0	0

Net Budget Movement

Assistant Chief Executive	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Proposed Savings	-4,245	-891	-26	-26
Budget Pressures	3,708	3,324	0	0
Legacy budget corrections	0	0	0	0
Net Budget Movement	-537	2,433	-26	-26

Resources - Budget Proposals

Savings and Change proposals

All figures are incremental

Pro-Forma	Service	Description	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Incremental/new savings identified in the 2023-24 Medium Term Financial Plan						
2023 MTFS	Finance	Restructure technical support & development teams	-30			
2023 MTFS	Finance	Finance staffing review	-125			
2023 MTFS	Finance	Premier supplier commission	-100			
2023 MTFS	Commercial Investment	PMI Contract Manager - Invest to Save proposal	-79			
Incremental/new savings identified in the 2024-25 Medium Term Financial Plan						
2024-28 SAV RES 001	Property Management	Energy management, utilities cost recovery	-2,250			
2024-28 SAV RES 002	Property Management	Review of document storage	-10	-40		
2024-28 SAV RES 003	Property and Facilities Management	Review of postage and mail scanning across the Council	-30	-80		
2024-28 SAV RES 006	Procurement	Review of Procurement Team	-120	-170		
2024-28 SAV RES 007	Commercial Investment	Private Finance Initiative contracts review	-241	-520		
2024-28 SAV RES 008	Property and Legal	Review of property and resources related charges to residents	-50	-150		
2024-28 SAV RES 009	Capital delivery - Non HRA	Review departmental location of Education Capital Delivery Team	-250	-100		
2024-28 SAV RES 010	Property	Increasing advertising income from Council assets and property	-50	-100		
2024-28 SAV RES 011	Finance	Increased bailiff fee income - Council Tax and Business Rates collection	-40			
2024-28 SAV RES 012	Finance	Housing benefit subsidy transformation	-1,156	790		
2024-28 SAV RES 013	Finance	Support Services & Development Team - staffing efficiencies	-48			
2024-28 SAV RES 014	Legal	Reduce spend on external solicitors	-281			
Transformation Projects						
2023 MTFS	Finance	Housing Benefit Review	-1,312			
2024-28 SAV RES 004	Property	Corporate disposals programme	-400	-300		
2024-28 SAV RES 005	Property and Facilities Management	Review of Town Hall Campus	-100	-350		
Total of proposed savings			-6,672	-1,020	0	0

Demand Pressures

Pro-Forma	Division	Description	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
<i>Incremental/new demand pressures identified in the 2023-24 Medium Term Financial Plan</i>						
2023 MTFS	Commercial Investment	Increase in business rates payable by Croydon in line with the 2022 Rates Revaluation	750			
2023 MTFS	Insurance, Risk & Anti Fraud	Insurance Fund growth	400			
<i>Incremental/new demand pressures identified in the 2024-25 Medium Term Financial Plan</i>						
2024-28 GRO RES 001	Finance	Strategic Finance Staffing	536			
Total of Demand Pressures			1,686	0	0	0

Legacy Budget Corrections

All figures are incremental

Pro-Forma	Division	Description	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
2023 MTFS	Finance	Housing Benefit Subsidy - Loss on HB Payments with Care Package Element	500	500	500	500
Total legacy budget corrections			500	500	500	500

Net Budget Movement

Resources	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Proposed Savings	-6,672	-1,020	0	0
Demand Pressures	1,686	0	0	0
Legacy Budget Corrections	500	500	500	500
Net Budget Movement	-4,486	-520	500	500

Corporate / Council wide - Budget Proposals

Savings and Change proposals

Figures are incremental

Pro-forma	Division	Description	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
<i>Incremental/New savings identified in the 2023-24 Medium Term Financial Plan</i>						
2023 MTFS	Council wide	Customer access (council wide)	-1,500			
Total of proposed savings			-1,500	0	0	-

Demand Pressures

Figures are incremental

	Division	Description	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
<i>Incremental/new demand pressures identified in the 2023-24 Medium Term Financial Plan</i>						
2023 MTFS	Corporate Items	Increase in external levies	49	26	26	27
2023 MTFS	Corporate Items	Apprenticeship levy	22	13	14	14
Total demand pressures			71	39	40	41

Net Budget Movement

Figures are incremental

Corporate / Council Wide	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Proposed Savings	-1,500	0	0	0
Demand Pressures	71	39	40	41
Net Budget Movement	-1,429	39	40	41

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Appendix D: Transformation Projects

RAG Definition	Red – Project not on track and mitigation outside of project manager control	Amber – Project not on track, mitigation within project manager control	Green – Project on track	Blue – Project complete/closed	Project not started
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Workstream	Status	Project	Description	RAG	Budget	Benefits
Assets	Closed	Family Justice Service Review PR000067	Relocation of the Family Justice Service, into an appropriate fit for purpose location in another LBC Asset.	Blue	£0	Delivered savings of £350,000 per annum from 2023-24 Relocation of the service to allow for an asset saving.
	In Delivery	Asset Disposal and Property Transformation PR000146	Annual Assets Disposal Plan (AADP) has a target disposal value of a minimum £50m pa to support the requirements of the MTFS through the reduction in capital borrowing and annual revenue costs.	Green	£124,500	£100m capital receipts 2023-24 & 2024-25.
	Discovery Phase	Croydon Campus PR000104	To reconfigure Croydon Campus including Town Hall, BWH and Davis House introducing a Community Hub to improve customer experience	Green	£250,000	Currently in discovery phase, benefits to be determined.
		Community Hubs PR000049	The proposed Community Hub model intends to consolidate the use of libraries, to ensure they are being utilised fully and not left unused and closed for several days per week	Green	£250,000	
		CALAT PR000110	A review of the Adult Learning Service (CALAT) to determine: WHAT the future service should be, HOW it should be delivered, from WHERE, and within the umbrella of affordability.	Green	£50,000	
	Housing	Closed	Housing Benefit Review PR000000	Project closed as duplication with Phase 1 of the Housing Benefit Subsidy SEA & EA/TA review.	Blue	£0

Workstream	Status	Project	Description	RAG	Budget	Benefits
	In Delivery	Housing Needs Restructure PR000132	The project will restructure the Housing Needs and Homelessness service to ensure it is fit-for-purpose, and an efficient and effective service is provided within a reduced financial envelope.	Amber	£260,000	Indicative savings of £1.75m-£2.0m to be delivered over 2023-24 and 2024-25, from 3 projects (i.e. Housing Needs restructure, Housing Benefit subsidy and Housing Association recharges).
		Housing Benefit Subsidy Support Exempt Accommodation (SEA) & Emergency Accommodation/ Temporary Accommodation PR000059	Review SEA and establish occupation and charging principles.	Green	£0	
		Housing Association Liaison (recharges & nominations) PR000165	A Housing Liaison officer who will be focused on the governance of all relevant contracts and nomination agreements to maximise properties available to the Council to move households out of emergency and into temporary accommodation.	Green	£59,000	
		Dynamic Purchasing System (contract compliance) PR000087	The project is intended to address identified procurement compliance issue with acquisition of emergency accommodation – within a VFM framework as part of the MTFS savings.	Amber	£142,000	Improve practice Manage demand Improve efficiency Increase effectiveness.
		Data Cleanse & Rent Accounts PR000164	This project will cleanse historical and backdated rent accounts, to minimise debt and maximise income opportunities.	Amber	£26,000	Improve practice Improve efficiency Increase effectiveness.
		Temporary Accommodation (occupancy checks) PR000163	To conduct occupancy checks in emergency and temporary accommodation. This will enable the council to carry out both welfare checks and have		£291,000	To be determined as part of the project mobilisation phase.
	Not Started					

Workstream	Status	Project	Description	RAG	Budget	Benefits
			updated information on the number of households living in such accommodation.			
		Temporary Accommodation (case review) PR000161	To review circumstances of households placed in temporary accommodation on a discretionary basis and to formulate an exit plan for those to whom the Council does not owe a main housing duty.		£491,000	
		Supported Housing Review PR000166	A review of the Council's housing related contracts across the Housing and CYPE and ASC&H directorates to formalise arrangements, ensure best value and compliance, and address areas of overlap in provision.		£80,000	
ASC&H	In Delivery	Adult Social Care Transformation PR000360	Ongoing Adult Social Care improvement budget capitalisation.	Green	£1,100,000	£9.4m packages of care saving 2023-24
		ASC Reviews Capacity PR000090	Supporting the pace of stratified and statutory reviews being delivered in Adult Social Care and Health.	Green	£0	No longer Transformation funded, costs moved to social care grant fund
		S117 Project PR000070	Improved processes and procedures for meeting the Section 117 after-care needs following and Local Government Ombudsman (LGO) report.	Green	£178,000	2034 out of 2327 desktop reviews completed.
	Discovery Phase	Transitioning Commissioning Care Model PR000103	Develop pathways across Childrens and Adults to commission enabling services.	Green	£0	No longer Transformation funded, costs moved to social care grant fund.
		Intermediate Care PR000100	Establish a community reablement service.	Green	£0	No longer Transformation funded, costs moved to social care grant fund

Workstream	Status	Project	Description	RAG	Budget	Benefits
		ASCH Strategic Delivery Partner PR000349	A delivery partner to enhance the work of our managing demand programme transformation.	Green	£1,134,480	There will be no tangible benefits identified until the completion of the phase 1 diagnostic (expected circa Feb 2024).
		Outcomes Based Domiciliary Care Model PR000102	Remodel end to end process for provision of Domiciliary Care.	Green	£0	No longer Transformation funded, costs moved to social care grant fund.
CYPE	In Delivery	Sustaining Demand at the Front Door PR000078	To develop systems & processes in the front door of Children's Social Care, maximising efficiencies, multi-agency contributions to target resources to greatest effect, reducing cost of interventions & placements.	Amber	£190,000	On track to achieve £200,000 savings per annum from 2023-24
		Corporate Parenting Transformation PR000298	To deliver, implement and further improve the fostering service as reviewed in 22/23 - including the development of a digital platform for recruiting and training of foster carers.	Amber	£742,750	Aim to achieve savings of £225,000 in 2023-24 & £912,944 in 2024-25
		Joint Funding Arrangements PR000074	To review and improve joint funding arrangements and processes across children's social care, health and education.	Amber	£110,000	Aim to achieve £250,000 savings in 2024-25
		Further Development of the Locality SEND Support Model Across Early Years Settings PR000063	To ensure that more pupils are educated in the borough and in mainstream schools. To provide early support for pupils with special educational needs.	Amber	£240,000	This project will not directly deliver a general fund saving but will be an enabler for the organisation to meet the KPIs and continue to implement the strategies within the Safety Valve process.
	Discovery Phase	Calleydown Transformation PR000089	To explore the scope for expanding the physical building	Amber	£134,000	Aim to achieve savings of £142,000 in 2024-25 & £142,000 in 2025-26.

Workstream	Status	Project	Description	RAG	Budget	Benefits
			capacity of this residential home vulnerable residents.			
Service Transformation	Closed	VCS Review PR000083	As the Community Fund reaches the end of its lifecycle, a review of VCS spend across the Council to better ensure VCS spend, and ensuing outcomes sit within the financial envelope set by the MTFS.	Blue	£0	Delivered a £800,000 saving built into the 2023-34 Assistant Chief Executive budget.
		Commercial & Income Opportunities PR000093	Evaluate income and growth opportunities across identified council services.	Blue	£0	£200,000 pa increase in the Premier Supplier Programme added to MTFS budget.
		PFI Contract Manager PR000098	To recruit a Private Finance Initiative (PFI) Manager.	Blue	£0	PFI contract manager successfully recruited.
	In Delivery	Croydon Parking Policy 2023 PR000357	This project is intended to review the existing Parking Policy.	Green	£200,000	£951,000 additional income is expected in 2024-25 and in subsequent years.
		Income and Debt Portfolio PR000094	To correctly price fees and charges and improve management of demand.	Amber	£50,000	The current projects are expected to increase collected fees and charges by £3.1m over the next 3 years.
		Building Control Transformation PR000108	To transform the Building Control service, to ensure the provisions meets statutory requirements and represents value for money in the current economic climate.	Green	£450,000	Planning and Building control projects are expected to generate £300,000 in 2024-25.
		Planning Transformation PR000109	The review and revamping of the Development Management Planning Service addressing some of the long-standing operational concerns to ensure an efficient and effective value for money service is provided. Also, that service reputational concerns are addressed.	Amber	£300,000	

Workstream	Status	Project	Description	RAG	Budget	Benefits
		Community Equipment Service PR000092	Review the financial performance and sustainability of Community Equipment Service (CES) - exploring opportunities to reduce costs; grow income; evaluate options for service delivery.	Green	£234,000	Projected financial benefits from the approach profiled at approx. £3m over 7 years of a contract.
	Discovery Phase	Croydon Museum Transformation PR000068	To determine whether the current model represents the best approach to delivering services and value for money in the current financial climate.	Green	£169,600	Currently in discovery phase, benefits to be determined.
		Approach to Strategic Planning and Commissioning Transformation PR000026	To develop a new framework for policy making, strategic planning and commissioning - identifying the resources, skills, knowledge and culture we will need to deliver our Council priorities and plan.	Amber	£0	
		Passenger Special Education Needs (SEND) Transport Transformation PR000065	To review the approach to providing passenger transport to SEND children and adults - that includes consideration of personal travel plans and new commissioning approach.	Green	£100,000	
Enabling	In Delivery	Human Resources (HR) Transformation PR000052	The HR Transformation Programme is made up of a number of projects in HR to support wider elements of service improvement, culture change and financial savings.	Green	£93,000	HR redesign savings of £50,000 in 2024-25 and £50,000 in 2025-26 Restructuring of the Payroll team saving £150,000 to be realised by 31st March 2024
		Business Intelligence Review PR000007	A project that drives efficiency using Business Intelligence. <u>Workstream one</u> - data matching initiatives using the National Fraud Initiative as a guide for areas to review, to ensure the council only provides discounts and benefits to	Amber	£25,520	<u>Single Person's Discount:</u> 1911 SPDs cancelled £914,213 (additional revenue raised) <u>Freedom Passes (Disability)</u>

Workstream	Status	Project	Description	RAG	Budget	Benefits
			residents that are eligible to receive such discounts. <u>Workstream two</u> – to explore data maturity across the organisation, creating and understanding by carrying out a data / intelligence maturity review.			474 passes de-activated saving £81,528 – (Based on £172 per head (covid)) or £142,200 – (Based on potential £300 per head - pre-covid guess) <u>Freedom Passes – (Older Persons)</u> 2783 applicants reviewed 1063 evidence provided 945 accepted 113 rejected, 5 to check
	Discovery Phase	Customer Access Review PR000105	This project is to facilitate the engagement of a management consultancy company, called Methods, to deliver on a Customer Access Discovery task – this will inform next steps of the project.	Green	£200,000	Currently in discovery phase, benefits to be determined
Oracle Improvement Programme Development PR000344		Funding of resources to develop the One Oracle Programme business case	Amber	£915,000		
Digital& Resident Access Review PR000053		This project is intended to conduct a review of Digital & Resident Access to assess the service for opportunities of transformation including the structure, tools and processes used by the service.	Green	£80,000		

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Grant Forecast						
	Actual	Provisional LGFS	Final LGFS	Future Forecast		
	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28
	£'m	£'m	£'m	£'m	£'m	£'m
Grants held corporately within Core Spending Power						
Improved Better Care Fund	9.978	9.978	9.978	10.078	10.179	10.280
Services Grant	2.994	0.471	0.517	0.522	0.527	0.533
New Homes Bonus	1.646	2.471	2.471	2.496	2.521	2.546
Social Care Grant	18.999	22.106	25.025	25.275	25.528	25.783
	33.617	35.026	37.991	38.371	38.755	39.142
Other Grants held corporately						
Housing Benefit Admin Grant	1.567	1.567	1.567	1.583	1.598	1.614
DSG & Education Grants held centrally	4.023	4.371	4.371	4.415	4.459	4.503
Core Grants as Per Croydon's MTFS	39.207	40.964	43.929	44.368	44.812	45.260
Revenue Support Grant	16.711	17.818	17.818	17.996	18.176	18.358
Total Corporate Grants	55.918	58.782	61.747	62.364	62.988	63.618
Grants held departmentally within Core Spending Power						
New Adult Social Care discharge fund	1.399	2.332	2.332	2.355	2.379	2.403
Market sustainability and Improvement fund	3.281	6.131	6.131	6.192	6.254	6.317
	4.680	8.463	8.463	8.548	8.633	8.719

Notes.

1. The 2024-25 grant forecasts are based on the provisional and final local government finance settlement.
2. All grants are modelled to increase by 1% per annum beyond 2024-25

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Business Rates - Forecast

	2023-24	2024-25	2025-26	2026-27	2027-28	
	£'m	£'m	£'m	£'m	£'m	
Section 31 grant for underindexing the business rates multiplier	12.419	16.063	16.384	16.712	17.046	As per NNDR1 for 2024-25 with future years uplifted by 2%
Business Rates-top-up grant	35.921	38.146	38.909	39.687	40.481	2024-25 as per the LGFS. Years thereafter uprated by an assumed 2% per annum
In-Year Business Rates Income	32.168	33.128	33.791	34.466	35.156	Croydon 30% share of business rates income collected. Estimate as per the 2024-25 NNDR1. Inflationary uplift of 2% per annum assumed for future years.
Other section 31 grants (for business rate reliefs)	10.338	8.916	9.094	9.276	9.462	Based on NNDR1 for 2024-25 with 2% future uplift
Prior Year Adjustments	-12.215	-1.818	0.000	0.000	0.000	2022-23 actual and 2023-24 forecast collection fund deficit.
Draw down from business rate reserve	12.215	3.518	0.000	0.000	0.000	Reserve c/fwd to 24-25 of £8.387m to fund prior year and smoothing adjustments .
Total - All Business Rates	90.846	97.953	98.178	100.142	102.144	

Croydon Budget Presentation

Section 31 grant for underindexing the business rates multiplier	12.419	16.063	16.384	16.712	17.046
Business Rates Income	78.427	81.890	81.794	83.430	85.098
Total	90.846	97.953	98.178	100.142	102.144

Notes:

1. This forecast is based on the NNDR1 submitted in January 2024 updated for changes to the business rates multiplier
2. Beyond 2024-25 business rates are modelled to increase by 2% (allowance for inflation)
3. The business rates system is due to be rebased from 2025-26. It is assumed to have a neutral impact

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REPORT TO:	Corporate Director of Resources – Jane West
SUBJECT:	Calculation of the Council Tax Base 2024-25, and Determination of the 2023-24 Collection Fund Deficit for Council Tax
LEAD OFFICER:	Andrew Lord – Interim Finance Consultant

1. Recommendations

- 1.1 Note that the Council Tax Support scheme is not changed from that agreed by Full Council resolution on 1st March 2023.

Delegated Approval

- 1.2 By the delegation granted to the appointed S151 Officer by the Corporate Services Committee on 7th January 2004, I determine that the 2024-25 Council Tax Base for the London Borough of Croydon be **137,040.4 Band D equivalent properties**.
- 1.3 That the forecast Council Tax Collection Fund surplus for the financial year 2023-4 is estimated to be **£2,230,000** – of which the Council's share is **£1,797,713**.

Jane West
Corporate Director of Resources (section 151 officer)

Dated 31 January 2024

2. Purpose of Report and Executive Summary

- 2.1 Section 33 of the Local Government Finance Act (2012) and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 require the Council as the Billing Authority to calculate a Council Tax Base for its area after 30th November and before 31st January in the previous financial year and duly notify precepting authorities (the GLA) within the same timescales.
- 2.2 In calculating the tax base regard is given to the number of hereditaments (properties) existing on the taxbase at the time of determination; anticipated future changes over the course of the remaining current financial year and throughout the future financial year; impact of discounts and exemptions (either nationally determined or locally set); premia (as relating to long-term

- empty hereditaments); anticipated collection rates; and prescribed proportions of property for each Council Tax Band in relation to a standard Band D charge.
- 2.3 The annual determination of the taxbase is an “*estimate*” for the forthcoming financial year. The actual sum collected is accounted for within the Collection Fund with adjustments made to subsequent budgets for an in-year surplus, or deficit, against the ‘estimated’ taxbase.
- 2.4 The calculations set out in the body of this report estimate a council tax base of **137,040.4 Band D equivalent** properties for 2024-25. This is a decrease of 190.5 Band D equivalents over that approved for 2023-24 and, at the £1,805.42 Band D charge approved by Croydon Council, for 2023-24, represents an adverse **movement against base budget of £0.344m** (this being prior to a Council decision on setting the 2024-25 Band D charge).
- 2.5 The detailed tax base calculation is shown by component and individual banding in Appendix 1. The calculation is based on data provided by Croydon to the Department for Levelling-Up, Housing and Communities in the October 2023 CTB1 return with an allowance made for an increase of 2,087 in the number of new dwellings (1,798 Band D equivalents) compared to 2023-24. The underlying increase in the number of new Band D equivalents is 1.06% compared to an average increase of 1.12% for the past 5 years.
- 2.6 Local Council Tax Support Scheme (LCTS) discounts of 17,579 are modelled for 2024-25 compared to 16,393 in 2023-24. This increase is based on trend data to the end of November 2023 and assumes that the rate of increase will reduce by 50% for the remainder of 2023-24 and for 2024-25. The income foregone, based on Band D equivalents, from the increase in LCTS discounts is estimated at £1.900m. Within this movement the caseload for the disabled not working category has increased by 554 from April 2022 to November 2023. This is of particular significance as this group of claimants are entitled to the most CTS, their average weekly CTS entitlement is £33.02 compared to £13.42 per week for income banded claimants.
- 2.7 An estimated 2,747 dwellings are forecast to be exempt from paying council tax in 2024-25. This is an increase of 672 dwellings (32%) compared to 2023-24 and equates to an additional income loss of £1.116m. The increase is based on current data. The main causes for the upturn are an increase in exemptions applicable for students and an allowance for new exemptions regarding the new Croydon Enclave development.
- 2.9 The Levelling-Up and Regeneration Act 2023 is enabling councils to encourage owners to bring empty properties back into use as well as raise

and retain revenue to support local services and keep Council tax down for residents. As part of the Act a local authority can, from 2024-25 onwards, charge a 100% premium on dwellings that have been unoccupied, and substantially furnished, for a period of at least 1 year. This is a reduction from the current 2- year period. Full Council will approve the necessary determination to make this change for Croydon and allowance is made within the 2024-25 Council Tax Base for a charge to 141 dwellings. The estimated additional income is £0.258m

2.10 The forecast council tax collection rate is budgeted to remain at 97.5%. This is based on current year performance and takes account of the decision, 25th October 2023 Cabinet, to reinstate the council tax recovery process for residents in receipt of council tax support.

2.11 A summary of the movement in the forecast 2024-25 tax base is set out below. The movement is based on Band D equivalents:

	Band D Equivalents
2023-24 Council Tax Base	137,230.9
Allowance for new dwellings	+1,798
Increase in Local Council Tax Support Discounts	-1,052.5
Increase in exemptions	-618.0
Other movements including Single Persons Discount	-461.0
Reduction in the 100% empty home premium to one year from 2 years.	+143.0
2024-25 Council Tax Base	137,040.4

Prior Year Collection Fund Surplus

2.9 The Local Government and Finance Act 1988 requires that all council tax income is paid into a Collection Fund, along with payments out regarding the Greater London Authority precept and a contribution towards the Council's own General Fund. Subsequent budget adjustments are made should the actual sum paid into the Collection Fund be more, or less, than the originally approved tax base.

2.10 For 2024-25 the net impact of the expected prior year adjustments is an estimated £2,230,000, of which the Croydon share is £1,797,713. This reflects the actual surplus at the close of 2022-23 with a breakeven position forecast

for the current year. This sum will be taken account of within the Council's proposed 2024-25 Budget.

Appendix 1 – Council Tax Base for 2024-25

2024/25 Council Tax Base	Disabled (no.)	Band A (no.)	Band B (no.)	Band C (no.)	Band D (no.)	Band E (no.)	Band F (no.)	Band G (no.)	Band H (no.)	Total (no.)
Dwellings as per CTB1	0	4,262	23,906	52,147	41,816	23,959	11,769	7,493	655	166,007
Allowance for new dwellings at 1.185%	0	509	513	557	322	151	13	14	8	2,087
Less Exemptions	0	-180	-538	-876	-553	-396	-128	-66	-10	-2,747
Chargeable Dwellings	0	4,591	23,881	51,828	41,585	23,714	11,654	7,441	653	165,347
Disabled Adjustments (Net)	1	23	129	107	11	-104	-39	-99	-29	0
Single-Person Discounts (25%)	0	-607	-3,276	-4,944	-2,678	-1,216	-499	-268	-13	-13,502
Other Discounts (50%)	0	-1	-6	-17	-19	-14	-15	-23	-11	-104
Family Annexe Discount	0	-4	-1	0	0	0	0	0	0	-5
Empty Dwellings 100% Premium	0	17	65	94	60	21	9	15	2	283
Empty Dwellings 100% Premium		5	23	36	40	23	9	5	0	141
Empty dwellings 200% Premium		8	50	50	34	8	8	4	0	162
Empty dwellings 300% Premium		6	18	21	51	9	0	3	0	108
Local C/Tax Reduction Scheme	0	-940	-4,874	-6,511	-3,745	-1,142	-262	-103	-2	-17,579
Net Chargeable Dwellings	1	3,099	16,009	40,664	35,338	21,299	10,865	6,975	600	134,851
Band D Equivalent	1	2,066	12,451	36,146	35,338	26,032	15,694	11,626	1,201	140,554
Collection Rate										0.975
Current taxbase forecast										137,040.4

APPENDIX H

LONDON BOROUGH OF CROYDON REPORT:	CABINET
DATE OF DECISION	22 November 2023
REPORT TITLE:	Council Tax Empty & Second Home Premiums
CORPORATE DIRECTOR / DIRECTOR:	Allister Bannin, Director of Finance (Deputy Section 151 Officer)
LEAD OFFICER:	Catherine Black, Head of Payments, Revenues, Benefits and Debt Email: catherine.black@croydon.gov.uk Telephone: 27193
LEAD MEMBER:	Councillor Jason Cummings, Cabinet Member for Finance
KEY DECISION?	No
CONTAINS EXEMPT INFORMATION?	No
WARDS AFFECTED:	N/A

1. SUMMARY OF REPORT

- 1.1 This report details the history of charging Council Tax premiums for empty properties and the current situation.
- 1.2 This report details the proposed options to change the timeframe for applying empty property premiums and the introduction of premiums on second homes.

2 RECOMMENDATIONS

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

- 2.1 To recommend to Full Council, that Full Council make the necessary determinations as billing authority under Section 11B for financial year 2024-2025 to the effect that where permitted, for dwellings that have been unoccupied and substantially unfurnished for a period of at least one year the amount of Council Tax will be increased by 100% where the period is less than 5 years, by 200% where the period

is at least 5 years but less than 10 years, and by 300% where the period is at least 10 years, and that the discount under Section 11(2)(a) shall not apply. .

- 2.2 To recommend to Full Council, that Full Council make the necessary determinations under Section 11C as billing authority for financial year 2025-2026 to the effect that where permitted, for dwellings where there is no resident of the dwelling and the dwelling is substantially furnished, the amount of Council Tax will be increased by 100%, and the discount under Section 11(2)(a) shall not apply.

3. REASONS FOR RECOMMENDATIONS

- 3.1 The long-term empty homes premium is designed to encourage more empty homes into productive use, therefore, assisting with the current housing pressure in the borough.
- 3.2 The Levelling-up and Regeneration Act 2023 is enabling councils to raise and retain additional revenue to support local services and keep Council Tax down for residents.
- 3.3 Implementing the change from 2 years to 1 would allow the council to encourage use of properties at an earlier stage and to generate greater income earlier on those properties where the owner wishes them to remain empty.
- 3.4 The second homes premium would allow the council to collect a premium on empty furnished properties which includes those that are actively being used as a second home as well as those which are vacant but furnished.

4 BACKGROUND AND DETAILS

- 4.1 The Levelling-up and Regeneration Act 2023 achieved Royal Assent on 26 October 2023. The intention of this act is to speed up the planning system, hold developers to account, cut bureaucracy, and encourage more councils to put in place plans to enable the building of new homes.
- 4.2 One of the governments measures in this act is to rebalance the housing and land markets, giving local councils the power to increase Council Tax on empty homes.
- 4.3 This act recognises the impact that high levels of second home ownership can have in some areas and will introduce a new discretionary Council Tax premium on second homes of up to 100%.
- 4.4 It will also allow councils to apply a Council Tax premium of up to 100% on homes which have been empty for longer than one year (rather than the two years currently in place).
- 4.5 The premium for second homes can only be implemented with at least 12 months' notice before the start of the financial year to which it relates, meaning the earliest the second home premium can be implemented is the 1 April 2025, providing the decision to implement the premium is taken before 1 April 2024.

- 4.6 It is worth noting that the 12-month lead time is for any initial decision to implement a second home premium. Therefore, if we choose not to implement a premium from 1st April 2025, a decision made after 1st April 2024 can only be effective from 1st April 2026.
- 4.7 The change to long term empty premium can be implemented from 1st April 2024, in accordance with S11B Local Government Finance Act 1992, which allows for a decision to be varied or revoked providing the decision is taken before the start of the financial year.
- 4.8 Both the premiums for long term empty and second homes are in respect of a “financial year” which means the premiums cannot be implemented part way through a year.
- 4.9 Data used for the October CTB1 2023 return shows 828 properties were long term empty and unfurnished between 1 and 2 years, it is likely that a high percentage of these would be for sale, rent or occupied but have not yet informed the council.
- 4.10 The October CTB1 2023 return has 367 properties listed as empty and furnished (second homes). As this would be a new scheme there is likely to be a change in these numbers as owners inform us that these properties are occupied or advertised for sale or rent.

Summary

- 4.11 The Local Government Finance Act 2012 (LGFA 2012) made provision for Local Authorities to technically reform Council Tax discounts and exemption with effect from 1st April 2013. Sections 10,11, and 12 of the LGFA 2012 contained provisions for changes that were agreed by Cabinet in December 2012, and those changes included: -
- Reducing the discount on 2nd homes to nil.
 - Class A and Class C exemption were abolished and replaced by discounts which the Council had the discretion to reduce the discount to nil.
 - Where a discount replaced a Class A exemption, and the discount was not nil, the discount could be limited to 12 months.
 - Where a discount replaced a Class C exemption, and that discount was not nil, the discount could be limited to 12 months.
 - The Council has the discretion to add a “premium” of up to 50% on long term empty properties which has been unoccupied and substantially unfurnished for more than 2 years.
- 4.12 In 2019 The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 further enabled a council to increase the premium charged for properties that have been empty and unfurnished for more than 2 years from 50% to 100%. From 2020 a further 100% premium on properties empty and unfurnished for more than 5 years was implemented increasing the premium to 200%. From 2021 a further 100% premium on properties empty and unfurnished for more than 10 years was implemented increasing the premium to 200%.

4.13 This premium applies to the property, so a change of ownership or tenancy will not affect the premium. If when purchased or leased the property has already been empty and unfurnished for two years or more, the new owner will be liable to pay the additional premium.

4.14 The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012, describe which classes of dwellings could not be included in the reduced discounts and additional premiums, these are:-

- No premium can be added on a dwelling which is exempt (see Appendix 1 for list of exemptions)
- No premium can be added on a dwelling which is genuinely on the market for sale or letting:
- No premium can be added on a dwelling which is the sole or main residence of a member of the armed forces, who is absent from the property as a result of such service
- No premium can be added on an annex deemed unoccupied, because it is treated by the occupier of the main dwelling as part of the main dwelling.
- We provide a 6 month exemption from the premium for properties that are undergoing works to bring the property back into use.

4.15 The October CTB1 2023 return showed 400 properties are currently charged premiums which result in an additional Council Tax liability of £1,181k.

	100% Premium	200% Premium	300% Premium	Total additional liability from premiums
Number of Properties	283	81	36	400
Croydon Council Tax	£433,785	£239,305	£164,655	£837,745
Croydon adult social care precept	£59,295	£32,711	£22,507	£114,513
GLA precept	£118,568	£65,410	£45,006	£228,984
Overall Council Tax premium liability	£611,648	£337,426	£232,168	£1,181,242

Considerations & Challenges

4.16 Determining the difference between a second home, a vacant furnished property and a vacant unfurnished property has always proved complicated.

4.17 Collection of premiums is more difficult with a lower percentage collection rate. It is important to remember that in all cases this is a person's second home so there is always the option to bring the property back into use or to sell the property.

4.18 Monitoring properties that are “genuinely” for sale & those undergoing building work can pose a problem.

4.19 Although the changes to the unfurnished premium can be implemented from 1 April 2024 the Council would look to provide reasonable notice to owners, so it is important that a decision to implement these changes is made as soon as reasonably practicable and prior to the start of the financial year.

5 ALTERNATIVE OPTIONS CONSIDERED

5.1 The report relates to discretionary premiums the only two options are to implement the changes to empty premiums and second home premiums or to leave the current premiums in place.

5.2 If we were to take the option to leave things as they are currently:

- There would be less incentive for the owners of furnished empty properties to bring them into permanent use.
- The incentive for unfurnished properties to be brought into use would not take effect until a year later.
- The opportunity to collect additional income on empty properties would be reduced.

6 CONSULTATION

6.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) have confirmed that there is nothing in the LGFA 2012 that suggests Local Authorities should consult on this matter, as such a consultation is not required.

7 CONTRIBUTION TO COUNCIL PRIORITIES

7.1 The proposal contributes to the Mayors business plan outcomes 1, getting our finances right and outcome 2 a place of opportunity as detailed below.

7.2 Encouraging owners to bring properties increases the availability of housing in the borough.

7.3 Empty properties if not maintained can become in a state of disrepair and can become an eyesore on the local area

7.4 If owners decide to leave a property empty the council will be able to collect additional income to support local services and keep Council Tax down for local residents.

8. IMPLICATIONS

FINANCIAL IMPLICATIONS

8.1.1 The table below shows the annual value of the premium if all properties currently empty and unfurnished remain so. It is likely that a proportion will be brought back into use, and others will be up for sale or rent, therefore the actual number of properties that will have the premium applied will be significantly lower. It is anticipated that between 25% and 50% would have the premium applied.

	All Properties	50%	25%
Number of properties	828	414	207
Croydon Council Tax	£1,332,768	£666,384	£333,192
Croydon Adult Social Care Precept	£182,180	£91,090	£45,545
GLA precept	£364,291	£182,146	£91,073
Overall tax 2023-24	£1,879,239	£939,620	£469,810

8.1.2 The liability generated using current figures would be between £470k and £940k.

8.1.3 Below is a table showing the possible premium liability for second homes. Those empty for under and over a year have been separated as those over a year are far more likely to be liable for the premium. It is unlikely that more than 50% of those recorded as second homes for over a year and 30% of those under would end up having the premium applied.

	2 nd homes over 1 year (A)	2 nd homes over 1 year (assume 50%)	2 nd homes under 1 year (B)	2 nd homes under 1 year (assume 30%) (A + B)	Total (over 1 year 50% under 1 year 30%)
Number of properties	268	134	99	30	164
Croydon Council Tax	£404,901	£202,951	£157,066	£47,120	£250,071
GLA precept	£110,947	£55,473	£42,932	£12,879	£68,352
Overall Tax 2023-24	£572,332	£286,166	£221,468	£66,440	£352,696

8.1.4 Comments approved by Lesley Shields, Head of Finance for Assistant Chief Executive and Resources on behalf of the Director of Finance. 09/11/23 8.2

LEGAL IMPLICATIONS

8.2.1 Under Section 67 of the Local Government Finance Act 1992, the function of making a determination under Section 11B in relation to long-term empty dwellings as recommended in this report, or under the new Section 11C in relation to dwellings occupied periodically as recommended in this report, must be discharged only by Full Council.

8.2.2 If Full Council makes the recommended determination under Section 11B, notice of it must be published in at least one local newspaper before the end of a 21 day period starting with the date of the determination. Likewise, a similar notice must be published if full Council makes the recommended determination under the new Section 11C. A billing authority's first determination under the new Section 11C must be made at least one year before the beginning of the financial year to which it relates.

8.2.3 The increases proposed in this report are the maximum by which Council Tax can be increased under Section 11B and the new Section 11C. Billing authorities are required to have regard to any guidance issued by the Secretary of State in exercising their functions under Section 11B and Section 11C.

Comments approved by the Head of Litigation & Corporate Law on behalf of the Director of Legal Services and Monitoring Officer. (Date 7/11/2023)

8.3 EQUALITIES IMPLICATIONS

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

8.3.2 Given the nature of empty properties, it is hard to capture any diversity data of the owners. Properties could be empty for a range of different reasons, ranging from owner's death to property being own by charities and has been left empty. It is clear from the EQIA that the Council only has information about the owner's name and address and is in no position to collect any further data. For this reason, the EQIA is unable to provide any information about the likely impact on any groups due to lack of data.

8.3.3 Comments by Naseer Ahmad for the Equalities Manager. (13/11/2023)

9. APPENDICES

Appendix 1 - Unoccupied Property Exemptions

10. BACKGROUND DOCUMENT

10.1 N/A

11. URGENCY

11.1 N/A

Appendix 1 - Unoccupied Property Exemptions

Below is a list of empty property exemptions. If these exemptions are relevant to a property the premium is not applied:

- the owner or tenant has died
- the owner or tenant is in prison
- the owner or tenant is a long-term hospital in-patient
- the owner or tenant lives in a nursing home, care home or certain type of hostel
- the owner is a student in the UK who is living elsewhere for their studies
- the owner has been made bankrupt and the property is in the hands of the trustees in bankruptcy
- the owner or tenant has moved out in order to provide personal care for another person or to receive personal care themselves
- it is a self-contained unit that forms part of a larger property and the occupier is a dependent relative of the person living in the other part of the property
- the property is an annex that cannot be let separately from the main property because of planning restrictions
- the property is an empty caravan pitch or houseboat mooring
- occupation of the property is prohibited by law
- the property is in the hands of the executor or administrator of the estate (either probate has yet to be granted or it is less than six months since probate was granted)
- the property has been repossessed by the mortgage lender
- the property is owned by a charity and has been empty for less than six months

RECOMMENDATIONS FOR COUNCIL TAX REQUIREMENT 2024-25

(SUBJECT TO CONFIRMATION OF THE GLA BUDGET PROPOSALS)

The Cabinet has considered a report in respect of the level of Council Tax for 2024-25 and the setting of the Council's Revenue and Capital Budgets for the forthcoming financial year. In summary the Cabinet recommends for 2024-25 a Band D charge of £1,895.51 for the Croydon element of Council Tax:

	2023-24	2024-25	Increase	Percentage increase
Council Tax	£1,588.31	£1,642.29	£53.98	2.99% of the 2023-24 charge of £1,805.42
Adult Social Care levy	£217.11	£253.22	£36.11	2.0% of the 2023-24 charge of £1,805.42
Total Croydon Element	£1,805.42	£1,895.51	£90.09	4.99%
Greater London Authority Precept	£434.14	£471.40	£37.26	8.58%
Overall Band D Charge	£2,239.56	£2,366.91	£127.35	5.69%

Following detailed consideration, the Cabinet recommends that the Council should:

- (1) Approve the 2024-25 net budget requirement of £361,267,000.
- (2) Approve the 2024-25 Council Tax Requirement of £259,761,449.

Appendix I

Calculation of Council Tax Requirement		£'000	£'000	£'000
(A)	Expenditure and other charges (as set out in section 31A(2) (a) to (f) of the Act)		TBC*	
(i)	expenditure on Croydon's services, local precepts and levies			
(ii)	allowance for contingencies		5,000	
(iii)	transfer to General Reserves		0	
(iv)	transfer to Earmarked Reserves		0	
(v)	transfer from the General Fund from the Collection Fund in respect of prior year deficit on the Collection Fund,		0	TBC *
(B)	<i>Less</i> Income and other credit items (in Section 31A(3) (a) to (d) of the Act)		TBC*	
(i)	Income from services			
(ii)	Transfer to the General Fund from the Collection Fund in respect of prior year surplus on the Collection Fund,	1,798		
(iii)	Income from Government Capitalisation	38,000		
	Core Grants	43,929		
	Business Rates Top Up Grant	38,146		
	Business Rates Income	40,226		
	Revenue Support Grant	17,818		
(iv)	transfer from Earmarked Reserves	3,518	183,435	TBC
(C)	<i>Equals</i> The Council Tax Requirement, i.e. the amount by which the expenditure and other charges exceed the income and other credits.* This is (A) above less(B) above (as per Section 31A(4) of the Act)			259,761
Calculation of basic amount of council tax				
(C)	Council Tax Requirement			259,761
(D)	<i>Divided by</i> The Council's Tax base			137,040.40
(E)	<i>Equals</i> The Basic amount of Council Tax (i.e., the Council Tax for a Band D property to which no relief or exemption is applicable) for services charged to Croydon's General Fund (This is (C) above divided by the tax base at (D) as per Section 31(B) of the Act)			1,895.51

* The exact figure is

£259,761,449.

* TBC – Will be confirmed for Budget Council.

(F) The tax for different bands calculated as follows (as per Section 36(1) of the Act):

Council Tax for Croydon for 2024-25	
Band A	6/9 x £1,895.51 = £1,263.67
Band B	7/9 x £1,895.51 = £1,474.29
Band C	8/9 x £1,895.51 = £1,684.89
Band D	9/9 x £1,895.51 = £1,895.51
Band E	11/9 x £1,895.51 = £2,316.73
Band F	13/9 x £1,895.51 = £2,737.96
Band G	15/9 x £1,895.51 = £3,159.18
Band H	18/9 x £1,895.51 = £3,791.02

(G) to which is added the following precept (issued by the Mayor of London, in exercise of the powers conferred on him by sections 82, 83, 85, 86, 88 to 90, 92 and 93 of the Greater London Authority Act 1999 (“the 1999 Act”) and sections 40, 47 and 48 of the Local Government Finance Act 1992 (“1992 Act”))

GLA Precept For 2024-25	
Band A	314.27
Band B	366.64
Band C	419.02
Band D	471.40
Band E	576.16
Band F	680.91
Band G	785.67
Band H	942.80

(H) That, having calculated the aggregate in each case of the amounts at (F) and (G) above the Council, in accordance with section 30(2) of the local government finance act 1992, hereby set the following amounts as the amounts of council tax for the year 2024-25 for each of the categories of dwellings shown below:-

Total Council Tax For 2024-25	
Band A	1,577.94
Band B	1,840.93
Band C	2,103.91
Band D	2,366.91
Band E	2,892.89
Band F	3,418.87
Band G	3,944.85
Band H	4,733.82

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Have your say on Croydon's budget proposals 2024-25

Feedback from public survey

5 January 2024

Executive Summary

This report summarises the responses received to the budget 2024-25 proposals survey. The survey was launched following the approval of the 2024-25 budget update, Medium Term Financial Strategy and savings proposals at Cabinet on 25 October 2023.

939 responses were received to the survey which ran between 6 November and 11 December 2023.

The survey suggested that respondents gave greatest priority to support for elderly and vulnerable residents, services for children young people, families and education, and rubbish and recycling collections. The lowest ranked service areas, according to respondents, were libraries and culture and leisure and sports facilities.

In answering how the budget proposals will affect them, the key themes of concern were (number of responses is shown in brackets):

1. Increase in council tax (248)
2. Cost of living (50)
3. Service cuts and reductions (38)

When asked where the council should be looking for external funding, safer communities, improving town and district centres and cleaner streets received the strongest support.

When asked if respondents had any further comments on the proposals, the largest group of responses were about council tax.

In addition to the survey, a small engagement session was run with young people aged between 11 and 22 as part of 'Croydon Superstars', the council's Special Educational Needs and Disabilities (SEND) Youth Participation Forum. From the two activities, greatest priority was given to keeping the streets safe and clean, housing services and services for children, young people, families and education. The lowest ranked services were parks and open spaces and libraries and culture. Full details of the feedback from this session are included in the appendix.

Engagement methodology

Following the cabinet meeting on 25 October 2023 the council launched a six-week budget engagement to seek feedback on the proposals.

A survey was available on the council's resident engagement platform, [Get Involved](#), and widely promoted across council channels and accessible from the front page of the council's website.

The survey design was similar to previous budget engagement surveys used in recent years.

Questions utilised different response structures, with some seeking to understand agreement/disagreement and others having free text responses for people to provide any comments or feedback. The survey was designed to be relatively short in order to maximise the response and completion rate.

Councillors, partners and community groups were encouraged to spread the word and share the survey with their communities. We advised that paper copies/easy read and alternate language versions were available if required. This was also communicated to key partners and councillors to support any residents unable to access digital channels.

The survey was promoted through all council channels throughout the engagement. This included:

- Press release
- Your Croydon weekly e-bulletin
- Business e-bulletin
- Mayor's weekly message and Chief Executive's staff message
- Social media posts (Twitter, Facebook and Instagram)
- Staff webinar ahead of the survey launch
- Intranet article
- Our Croydon e-newsletter
- Communications in libraries and children's centres - library staff briefed to support residents and print out copies of the budget engagement if required
- Email to 390 community and voluntary contacts via the council's VCS team
- Faith leaders
- All councillor emails
- Shared with Croydon Youth Assembly and SEND Youth Participation Forum
- Facebook post shared with local groups
- Contact centre available to take residents views over the phone if required.

Following a mid-point review of the demographics of respondents a further email was sent to community groups including Croydon's BME Forum and Asian Resource Centre of Croydon (ARCC) encouraging them to promote the survey and encourage residents to take part.

As part of the exercise and to give residents more opportunity to hear about the plans and have their say, the Executive Mayor of Croydon ran a webinar on 11 December. Residents were invited to join and ask questions either in advance or live at the session. The webinar was promoted via a press release, Your Croydon weekly and social media.

Analysis of responses

934 responses were received to the survey which ran between 6 November 2023 and 19 December 2023.

In addition to the specific engagement questions, respondents were asked to provide responses to equality and diversity questions to provide a breakdown of the responses compared to the borough profile.

The response rate for people aged 16 – 19 and 20 - 24 was lower than other age groups. This is, however, similar to other engagement surveys both in Croydon and other areas. Other age groups were well represented.

In response to the low response rate from young people, Croydon's SEND Youth Participation Forum carried out two tasks with a small group to engage them on the budget survey. The results from this activity can be found in the appendix.

Respondents came from a wide range of ethnic groups, although no weighting has been applied to the results. The largest response group identified as White English/Welsh/Scottish/Northern Irish/British (67.3%). This is higher than the borough profile from the 2021 Census, where 48.4% of the population identified as White.

Global Majority groups were underrepresented in the response rate compared to the Census 2021 profile for Croydon.

12.3% of respondents identified as having a disability. This is slightly below the boroughwide level identified in the 2021 Census of 14%.

In relation to faith, the largest groups of respondents were those that identify as Christian (42.8%) which is very similar to the Census 2021 level. The response rate for those identifying as Muslim was lower than the borough profile.

In relation to sex, the proportion of respondents identifying as female was very similar to the borough profile. Male respondents were slightly underrepresented compared to the borough profile.

In relation to partnership status, 46.9% of respondents were married. This is an over representation compared to the 2021 Census profile, where 32.8% were married.

There was a slightly lower response rate from those in a registered civil partnership compared to the borough profile.

Full details of the response rates by demographics are provided in the appendix.

The remainder of this report provides a summary of the results and analysis of the feedback. Analysis is provided against each question of the survey.

Analysis

Question 1: The council spends £300m a year providing hundreds of local services to 390,800 people. Please rank these services in order of importance to you, with 1 being the most important and 9 being the least important:

There were 914 responses to this question.

The table and chart below show how the services were prioritised according to the average ranking given by respondents.

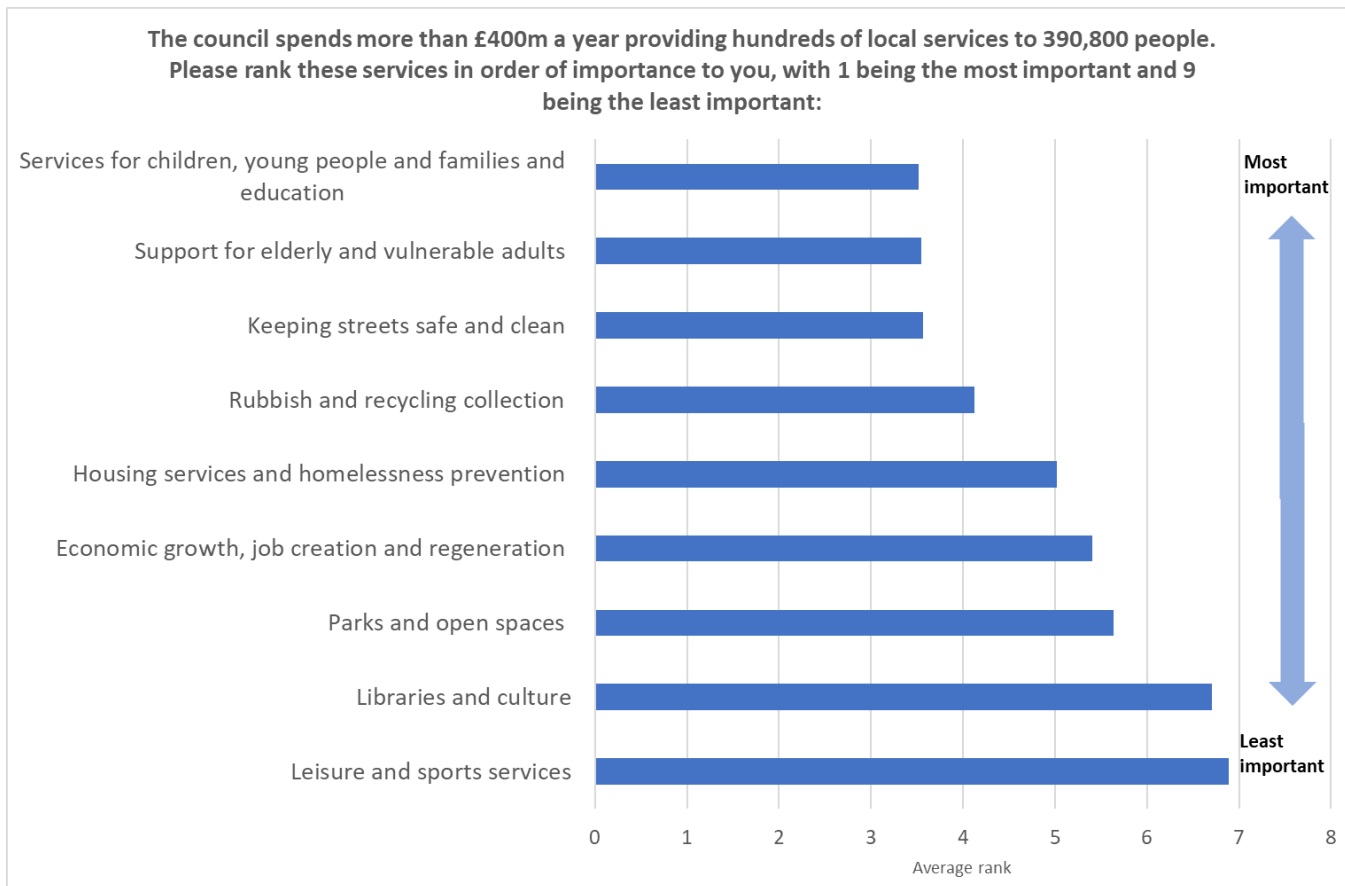
The two largest services, by budget, were ranked first and second in the order of priority: support for elderly and vulnerable adults (adult social care) and services for children, young people, families and education (children, young people and education). These were followed by keeping streets safe and clean which received a very similar average rank.

Libraries and culture and leisure and sport facilities received the lowest average rank.

The Mode ranking is also provided - showing the most common ranking provided. This can be useful where averages sometimes mask variation in scoring.

For example, although economic growth had an average rank of 5.41, placing it above parks and open spaces in the priority order, the most common rank was actually nine. The most common rank for parks and open spaces, however, was seven.

Order of priority	Service	Average rank	Mode (most common rank)
1 (most important)	Children, young people, families and education	3.52	1
2	Support for elderly and vulnerable adults	3.55	1
3	Keeping streets safe and clean	3.57	1
4	Rubbish and recycling collection	4.12	3
5	Housing services and homelessness prevention	5.02	5
6	Economic growth, job creation and regeneration	5.41	9
7	Parks and open spaces	5.64	7
8	Libraries and culture	6.71	9
9 (least important)	Leisure and sports services	6.89	8



Question 2: The council is doing all it can to help to balance its budget - you can read more about our proposals here. Do you think our budget proposals will impact you and if so how?

As part of the budget engagement, we wanted to understand if residents felt that the budget proposals would impact them and how. In reviewing these responses they have been themed, for example, some respondents suggested that an increase in Council Tax would have a financial impact on them.

649 people responded to this question:

The table below provides a breakdown of the key proposals that were identified by respondents as having an impact. The table shows the top five/six themes mentioned.

Theme (number of responses)	Description
Council Tax (248)	The respondents mentioned last year's increase in council tax and concern about further increases.
Cost of living (50)	Respondents were worried about changes impacting their own finances at a time of an increased cost of living and other financial pressures facing households.
Service cuts and reductions (38)	The respondents were worried that any cuts to, or reduction in services might affect them. These covered multiple budget proposals and/or included general statements about service reductions.
Safety (32)	The respondents mentioned that street safety was a concern.
Cleanliness and maintenance (27)	The respondents indicated that the budget proposals may impact the cleanliness and maintenance of the streets.
Town centre and regeneration (13)	The town centre and regeneration were mentioned including the decline of the town centre, lack of shops and increase in antisocial behaviour.

Other comments included the council's financial collapse in 2020, housing services and building new homes.

In addition to the numerical analysis, a sampling of the responses is provided for context.

Examples of responses:

"...I have also rented in the borough since 2014 and have felt the considerable burden of increasing rent alongside increase of council tax and other essential household bills."

"It will cost me more money when the cost of living is already having a serious negative impact."

“If money is taken from street cleaning and environment as a Street Champion this will mean more work clearing litter.”

Question 3: Do you have any further comments on our proposals?

Within the engagement survey we wanted to give respondents every opportunity to give their feedback, and not be limited to only closed choice questions.

Respondents were therefore invited to provide any further comments through a free text format. 487 respondents provided comments. To analyse these comments they have been themed. As this was a free text response, there was significant variety in the comments.

The table below provides a breakdown of the top five key themes raised by respondents.

Theme (number of responses)	Description
Council Tax (64)	The respondents mentioned last year’s increase in council tax and concern about further increases.
Clean streets / safety (50)	The respondents indicated that safety in Croydon should be considered when discussing budget proposals. Responses also included concerns about street/town centre/neighbourhood cleanliness
Services for children and young people (27)	Responses mentioned the importance of investing more in services for children and young people.
Council / staff (21)	The respondents indicated themes around pay, staff numbers and use of consultants/agency staff.
Debt (17)	Respondents indicated that the cost of the debt sustained by the council as an important issue to resolve, with some feeling that the borrowing costs were unsustainable and should not be passed onto residents. Comments also included the Council seeking more support from central government.

Other comments included needing more affordable housing, parking and support for the vulnerable.

In addition to the numerical analysis, a sampling of the responses is provided for context.

Examples of responses:

“Croydon residents took a huge hit last year with 10% increase on Council Tax, expectations this year would be a reduction on cap to national average.”

“Please do something about rubbish collection, current service is very poor, quite often bins are left anywhere on footway or street after collection, sometimes rubbish are left over on roads as well.”

“Children and young people needs are often put bottom of the list, specially children with SEND. Can this be a little higher priority next year?”

Question 4: If the council has opportunities to bid for external funding to invest in any of the following areas, to what extent would you support or not support each of the following?

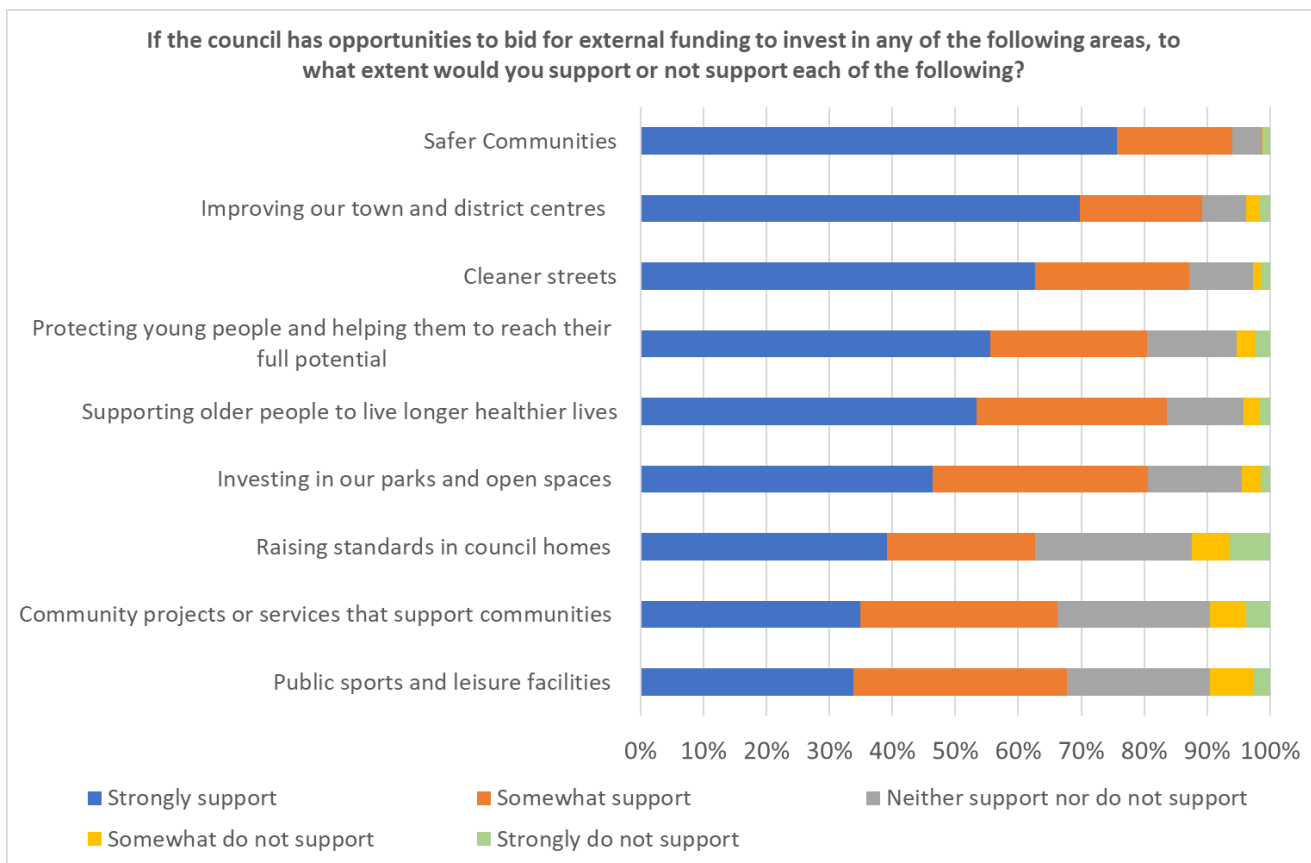
The Mayor's Business Plan has emphasised the importance of working in partnership, and supporting these partnerships to secure external funding and investment into Croydon. The budget engagement survey therefore sought to understand where respondents would prioritise external funding against different service areas. Against each area, respondents were asked to state how much they would support, or not support, investment.

923 responses were provided to this question.

A 5-point scale was used for the responses, with respondents indicating how strongly they agreed or disagreed.

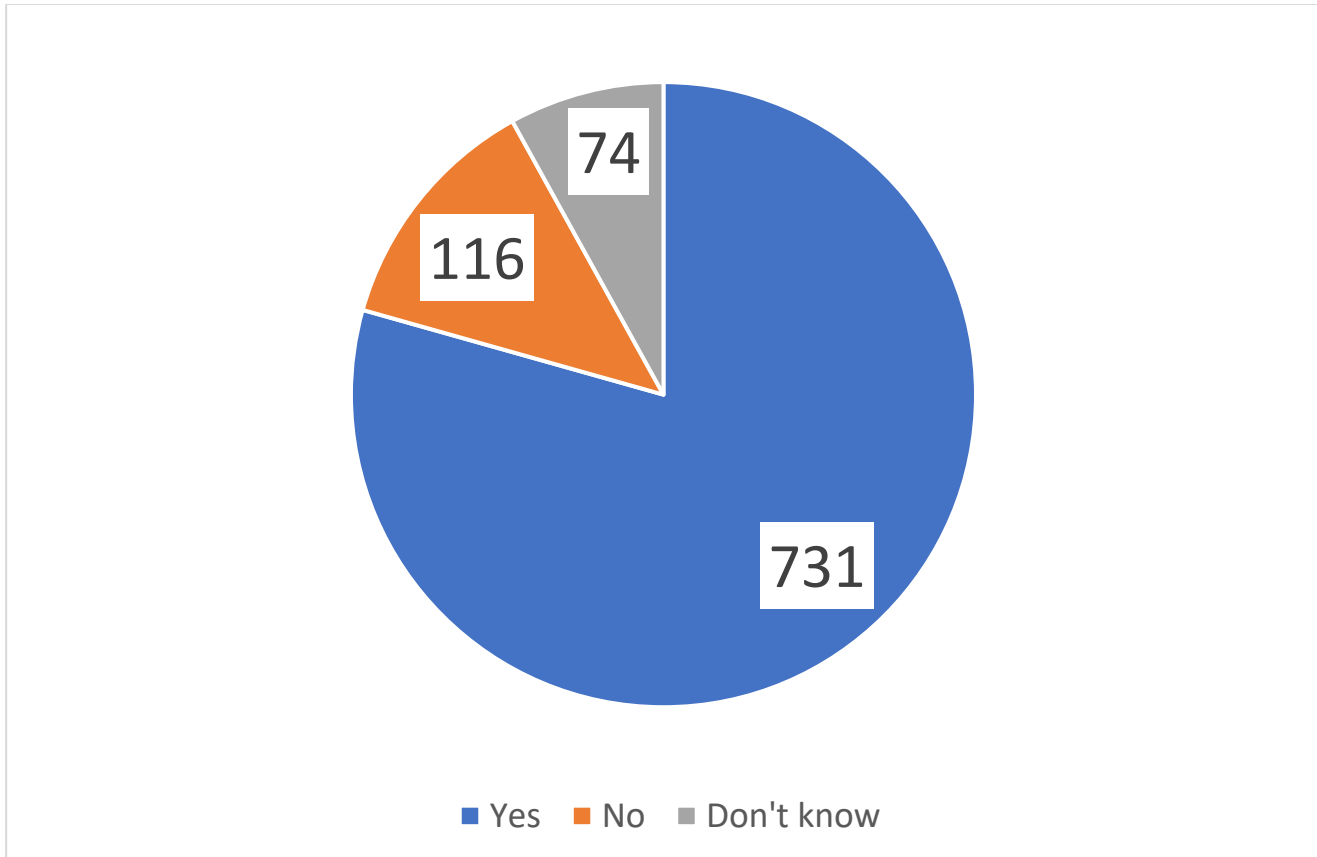
The table below summarises the responses. All areas received support for external funding being invested.

Investment areas	Strongly support and somewhat support	Strongly do not support and somewhat do not support
Safer Communities	94.05	1.21
Improving our town and district centres	89.17	3.87
Cleaner streets	87.10	2.73
Supporting older people to live longer healthier lives	83.59	4.27
Investing in our parks and open spaces	80.66	4.51
Protecting young people and helping them to reach their full potential	80.44	5.36
Public sports and leisure facilities	67.77	9.57
Community projects or services that support communities	66.19	9.58
Raising standards in council homes	62.62	12.46



Question 5: Last year the Executive Mayor of Croydon pledged that the council would not increase council tax above the cap set by the government in future years. Do you agree with this approach?

921 responses were received to this question with 731 out of 921 (79.3%) of respondents agreeing with the Executive Mayor of Croydon's approach of not increasing council tax above the cap set by the Government in future years.



Question 6: Is there anything that we currently spend money on that you think we should not, or anything that you think we could do differently?

As part of the engagement survey, it was important that respondents were not limited to only comment on the budget proposals that had been identified in the Cabinet report. This question sought general feedback on any areas that the council should consider future expenditure on. The response format was a free text answer.

There were 594 comments responses and a wide range of reactions to the spending decisions of the council.

Similar to other free text answers, these responses were reviewed and themed according to the response. The top five themes are listed below.

Theme (number of responses)	Description
Council / staff / councillors / governance (112)	The respondents indicated themes around pay for staff, members and councillors, staff numbers and the use of consultants/agency staff and governance.
Council tax (108)	The respondents mentioned last year's increase in council tax and concern about further increases.
Clean streets / safety (98)	The respondents indicated that safety in Croydon should be considered when considering budget proposals. Respondents highlighted concerns about safety and cleanliness in streets / town centre / neighbourhoods.
Town centre and regeneration(44)	The respondents indicated the importance of investment in town centre and regeneration were mentioned including the decline of the town centre, lack of shops and increase in antisocial behaviour.
Housing and new homes (50)	Respondents indicated that there should be more investment in housing services and building new homes.

Other responses included Borough of Culture, parking and parks.

Examples of responses:

“Stop spending money on temporary staff and retain the staff with knowledge...”

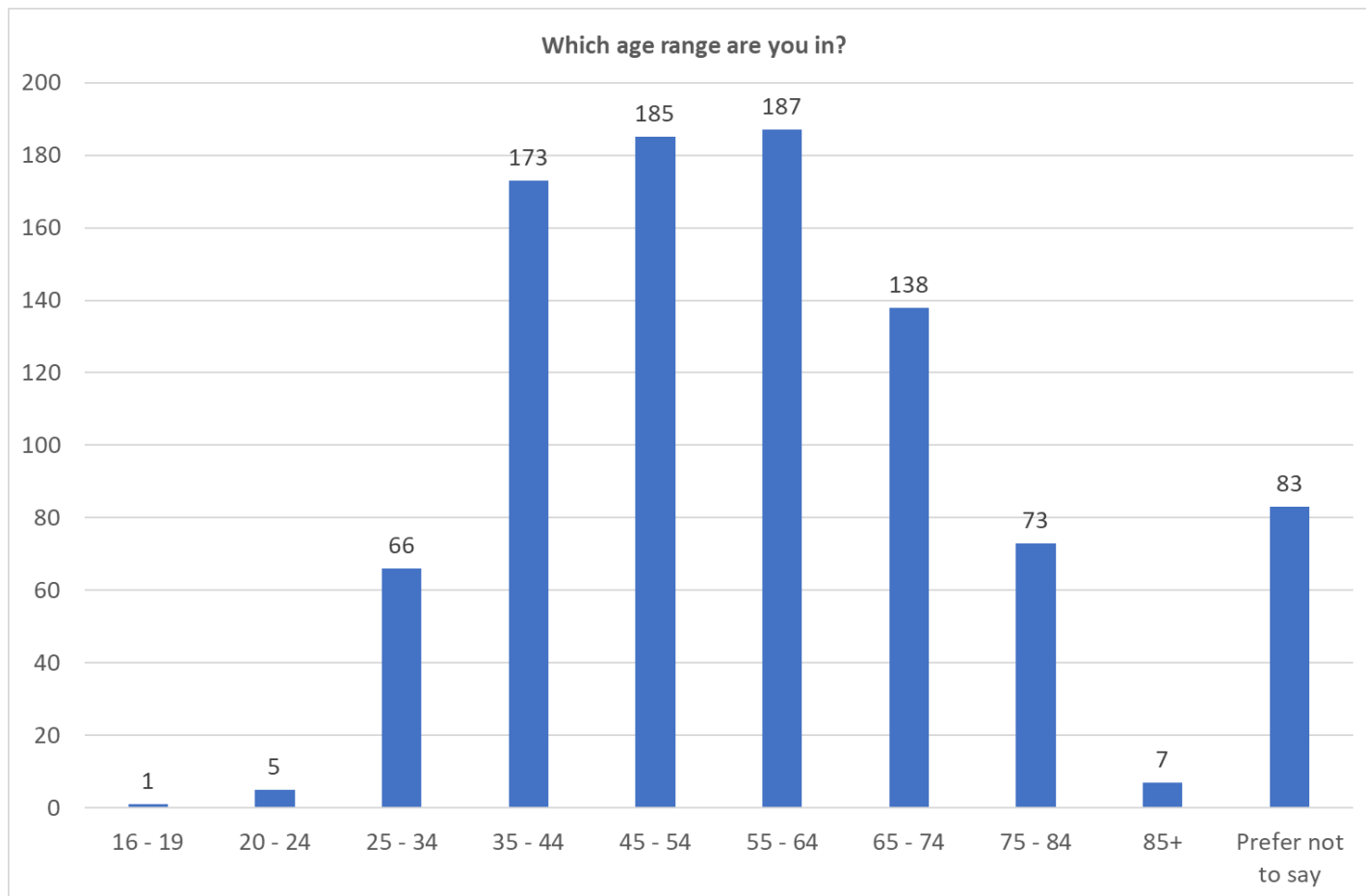
“We should spend more money making the borough safer and more attractive to visitors, investors and working residents who will pay council tax. I think that Council tax could be increased by a small percentage. I think people would be willing to pay this if the money was spent on things they could see such as well maintained parks and open spaces, a greater police presence, improved sports and leisure facilities and cleaner and safer streets.”

“Make the streets and town centres look nice and investors/business will follow.”

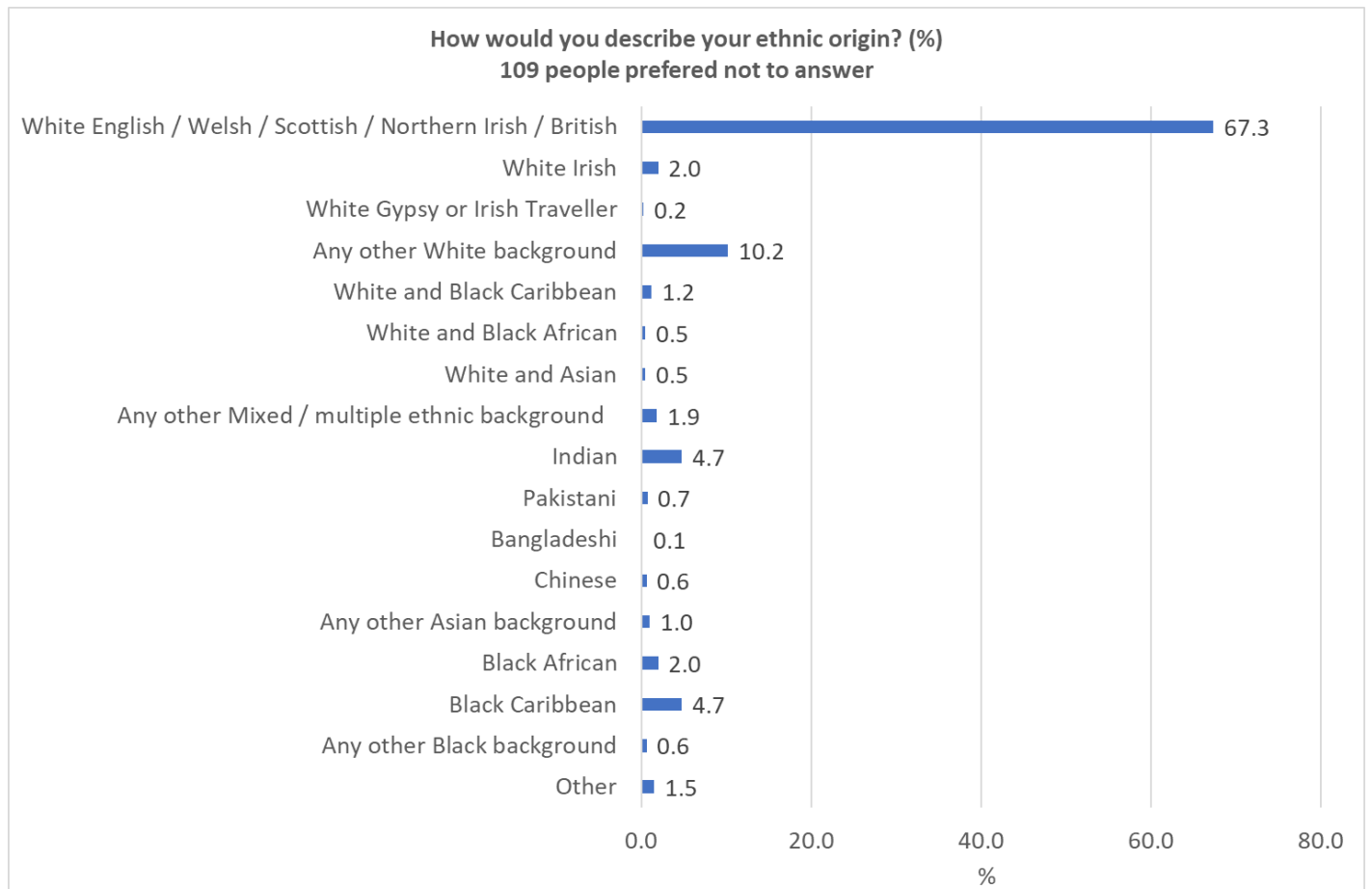
“Rather than steeply raising Council Tax during a cost of living crises, the emphasis should be on restoring adequate central government funding and support. “

Appendix - Demographic analysis

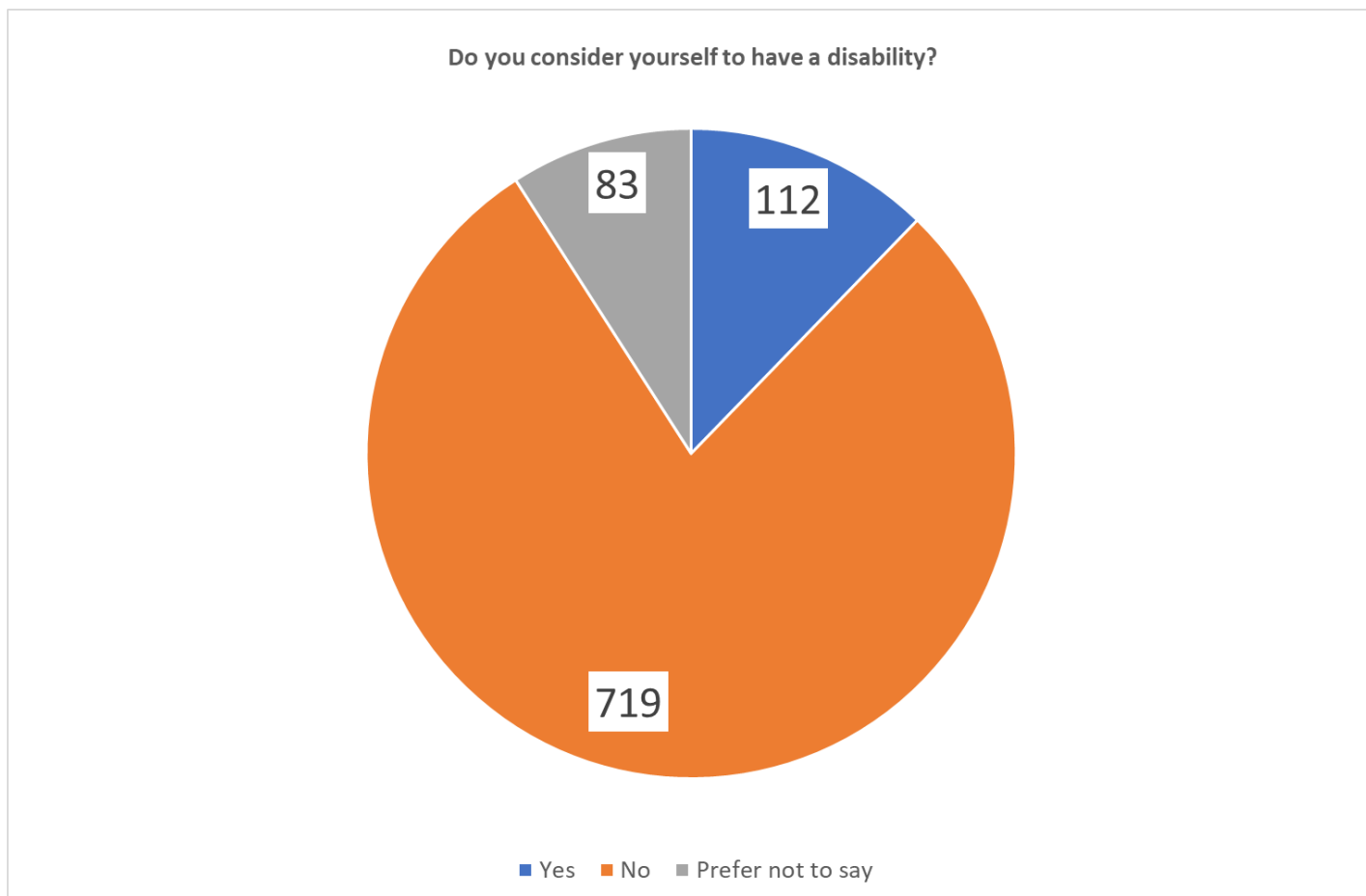
Which age range are you in?



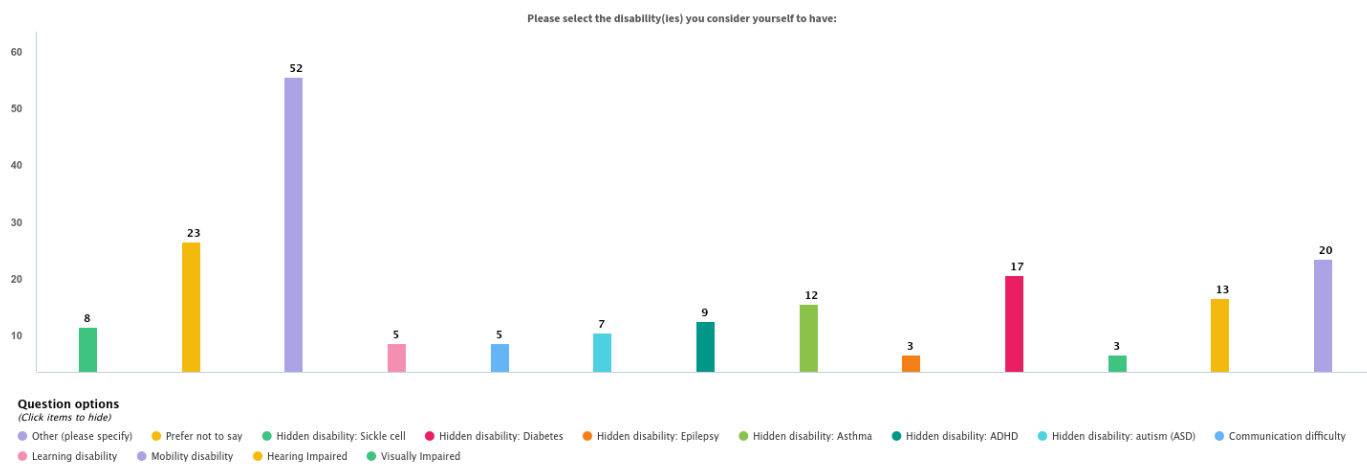
How would you describe your ethnic group?



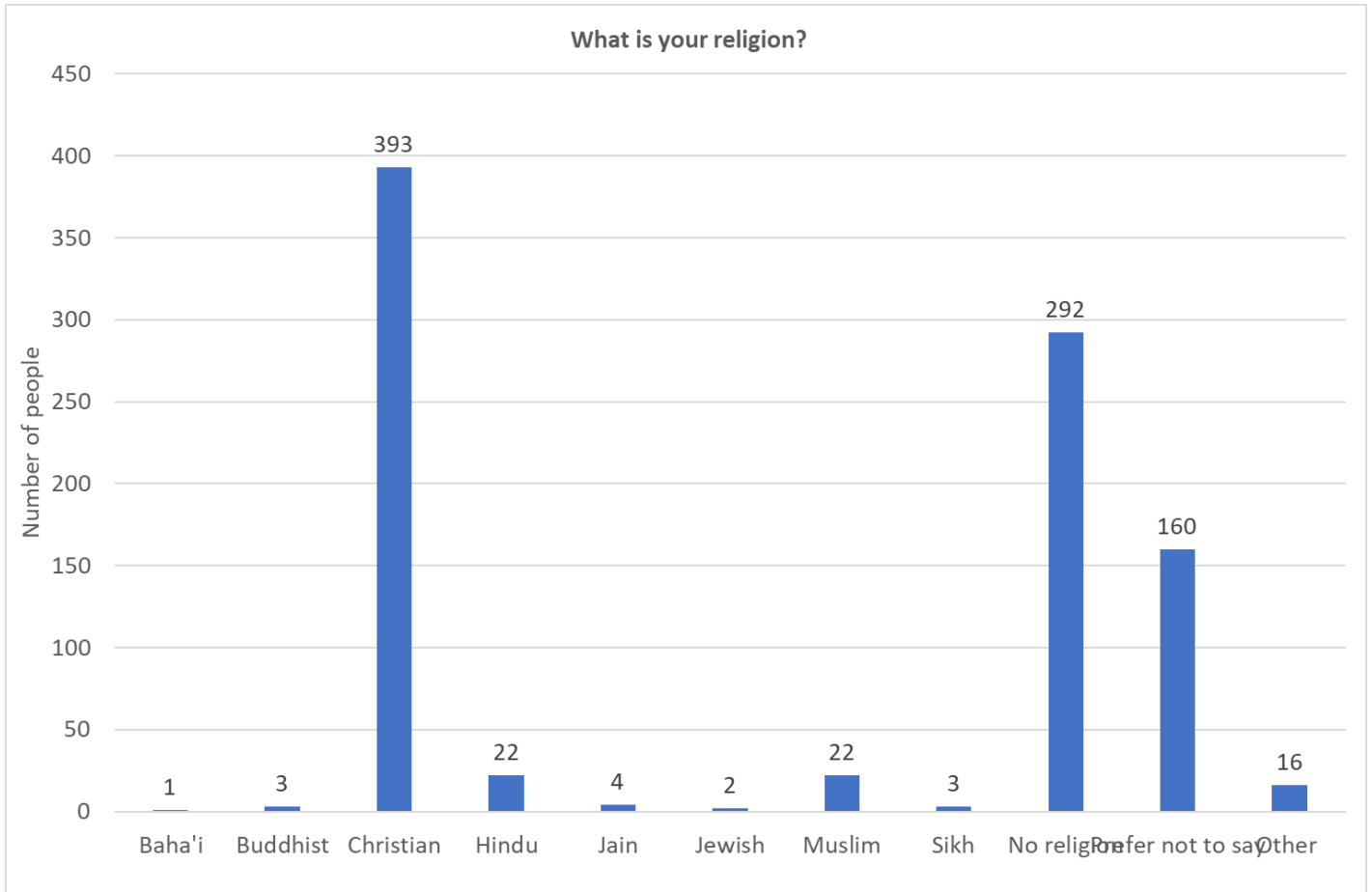
Do you consider yourself to have a disability?



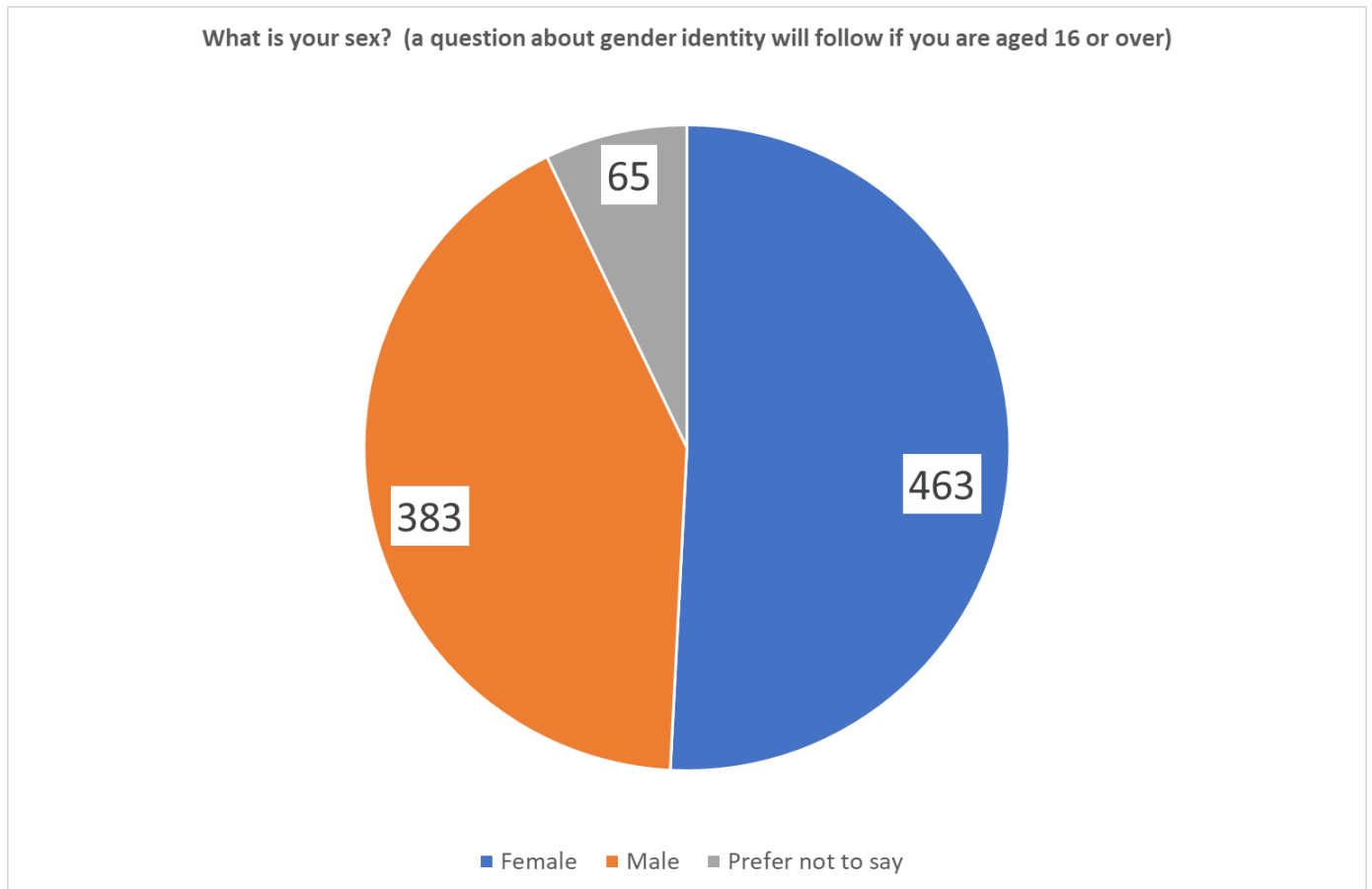
Please select the disability(ies) you consider yourself to have:



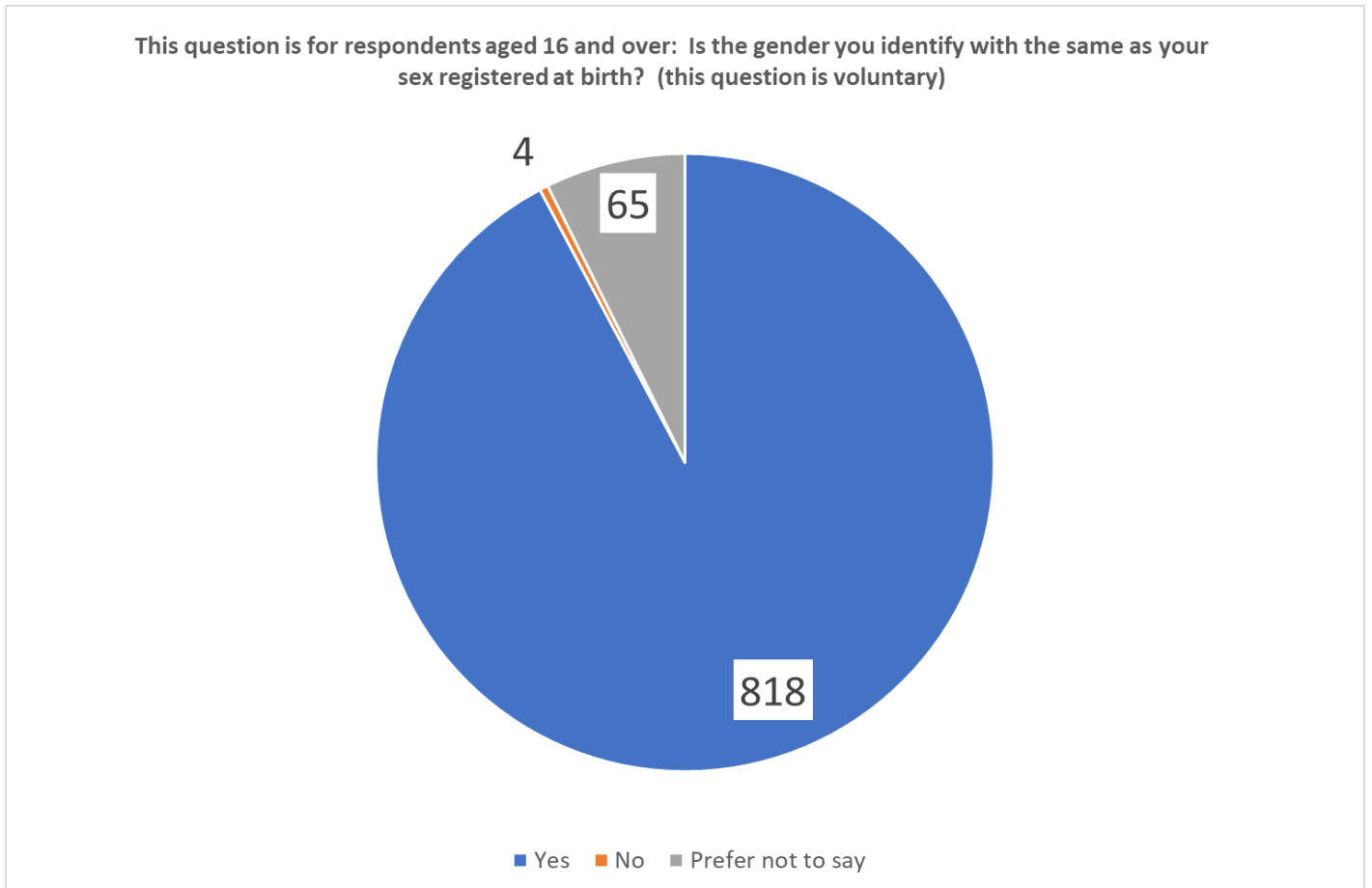
What is your religion?



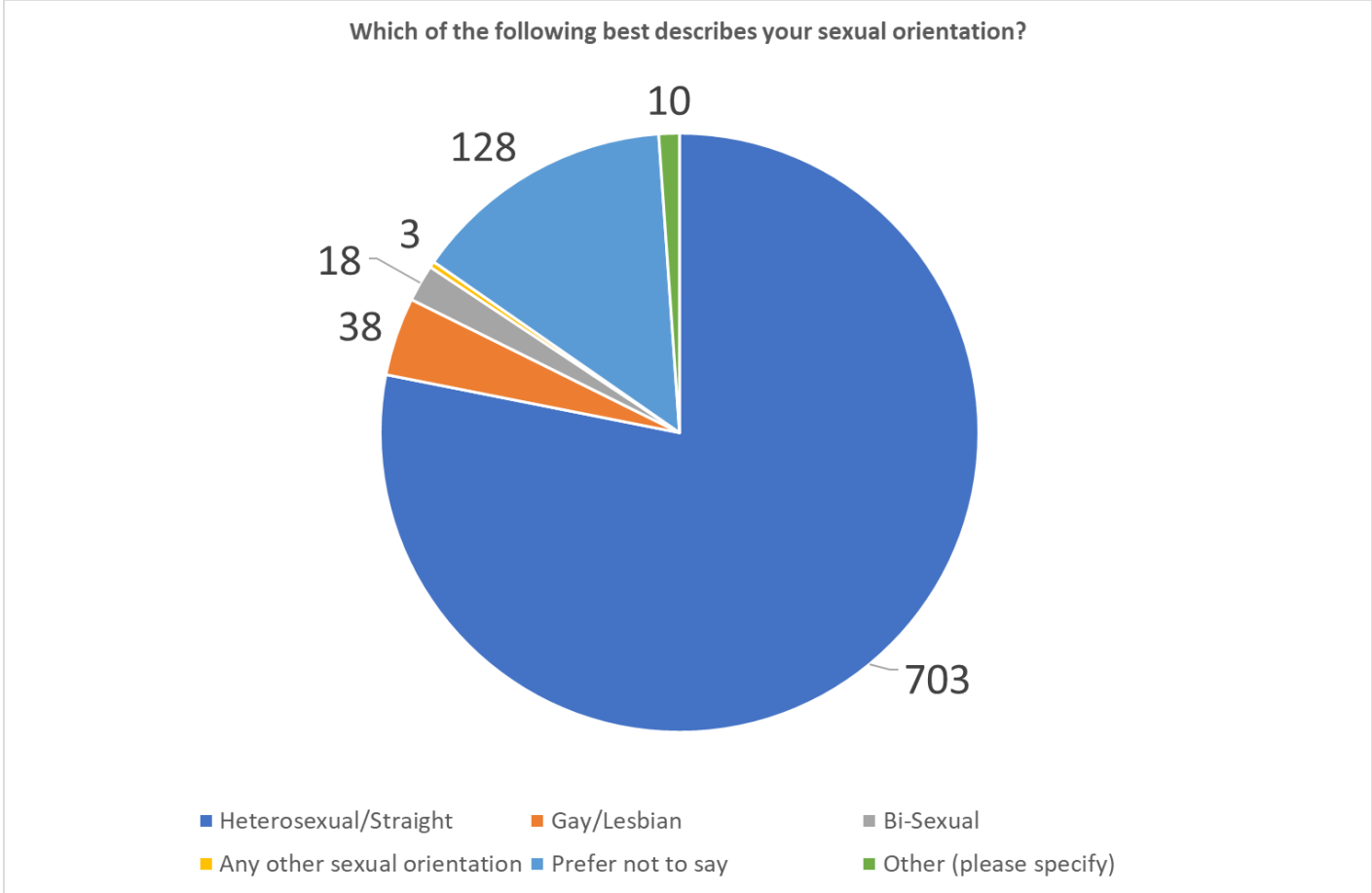
What is your sex?



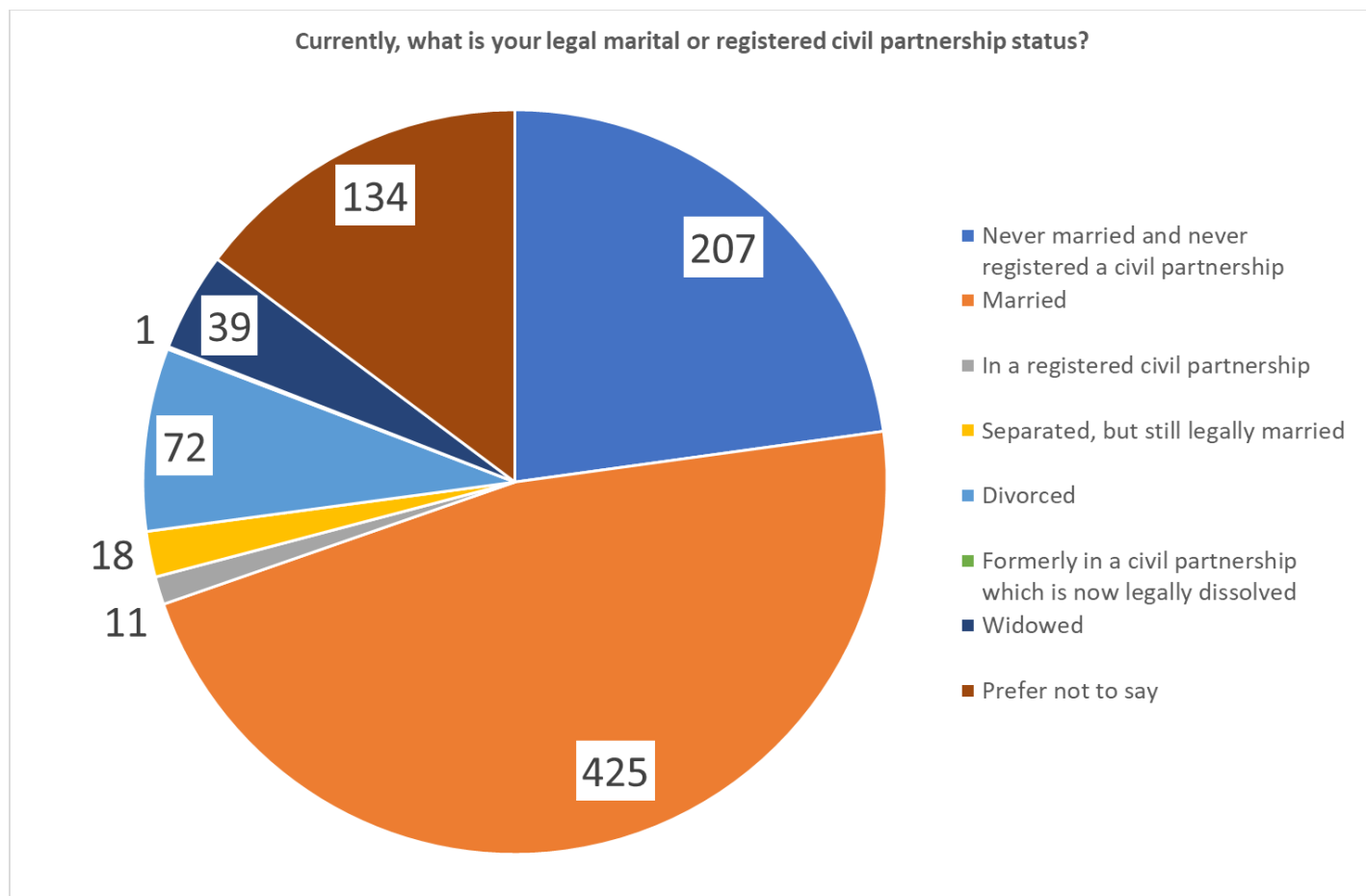
Is the gender you identify with the same as your sex registered at birth?



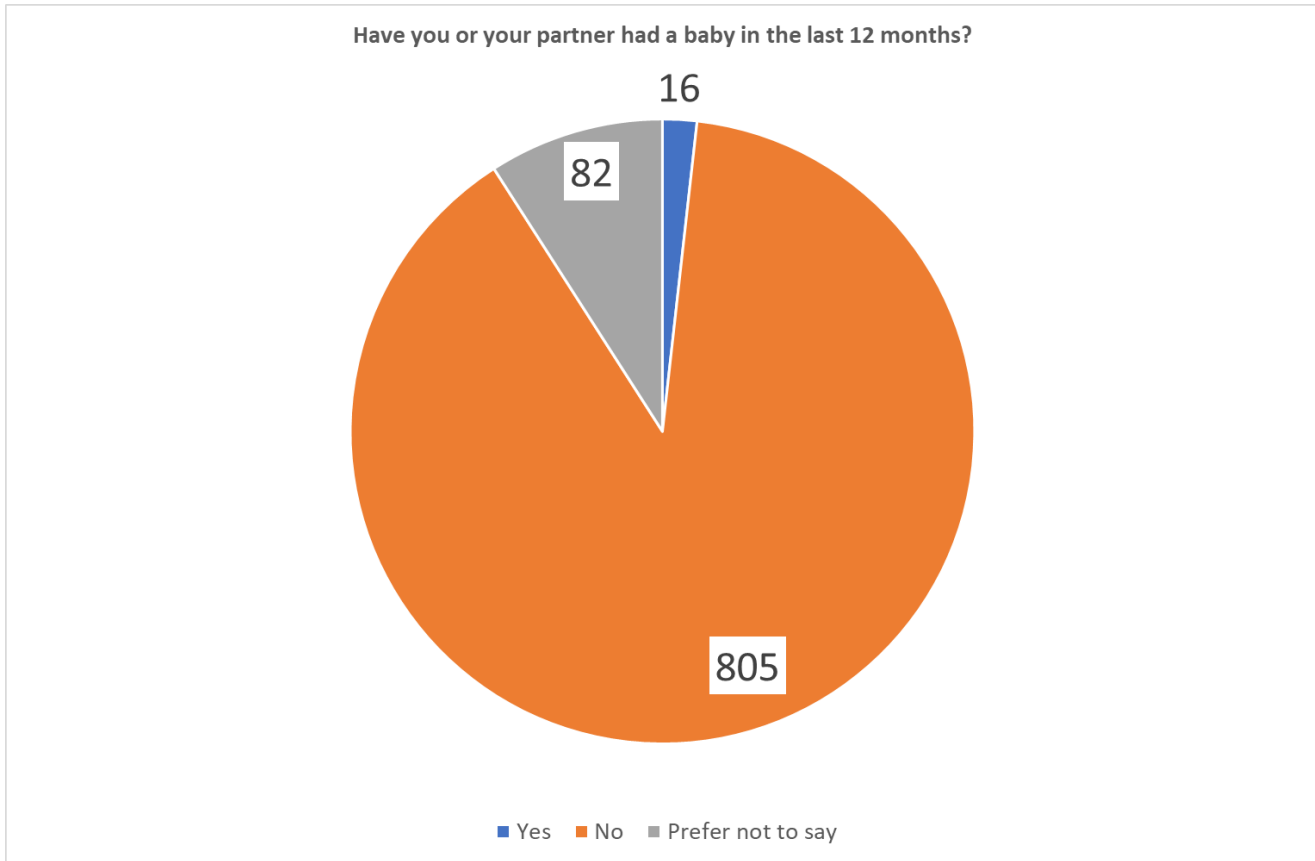
Which of the following best describes your sexual orientation?



What is your legal marital or registered partnership status?



Have you or your partner had a baby in the last 12 months?



Appendix – Feedback from the Special Educational Needs and Disabilities Youth Participation Forum

‘Croydon Superstars’ (SEND Youth Participation Forum)

Response to the Annual Community Budget Survey 2024-25 (Nov. 23)

Overview

SEND Students aged between 11 and 22, from Priory School, Red Gates School, St Giles School, Coulsdon College, Bensham Manor School and Croydon College were consulted on their priorities for the 2024-25 budget. Students completed one of two tasks. Task A involved choosing from a selection of community activities linked to the 9 budget proposals, represented by widgets (simple images). The students were then asked which activities they would like to see more of in their local community to meet their needs and those of their families. Task B involved ranking the 9 budget proposals from highest to lowest priority and had a further opportunity for individual suggestions, based on case studies (see qualitative data at this end of the report).

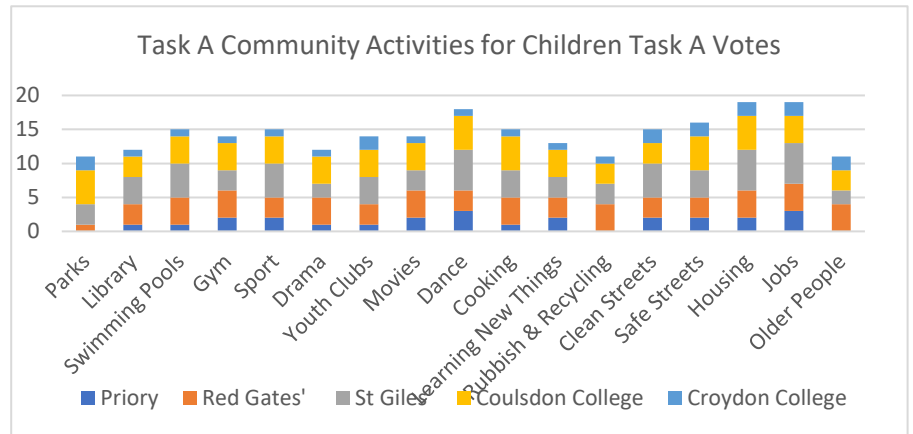
Task A

19 students out of the 21 who completed Task A agreed they would like to see more housing and jobs created next year 24_25. Their next priorities were dance activities, with 18 votes, and safe streets, with 16 votes. Their ranking of the budget proposals, based on these votes, is:

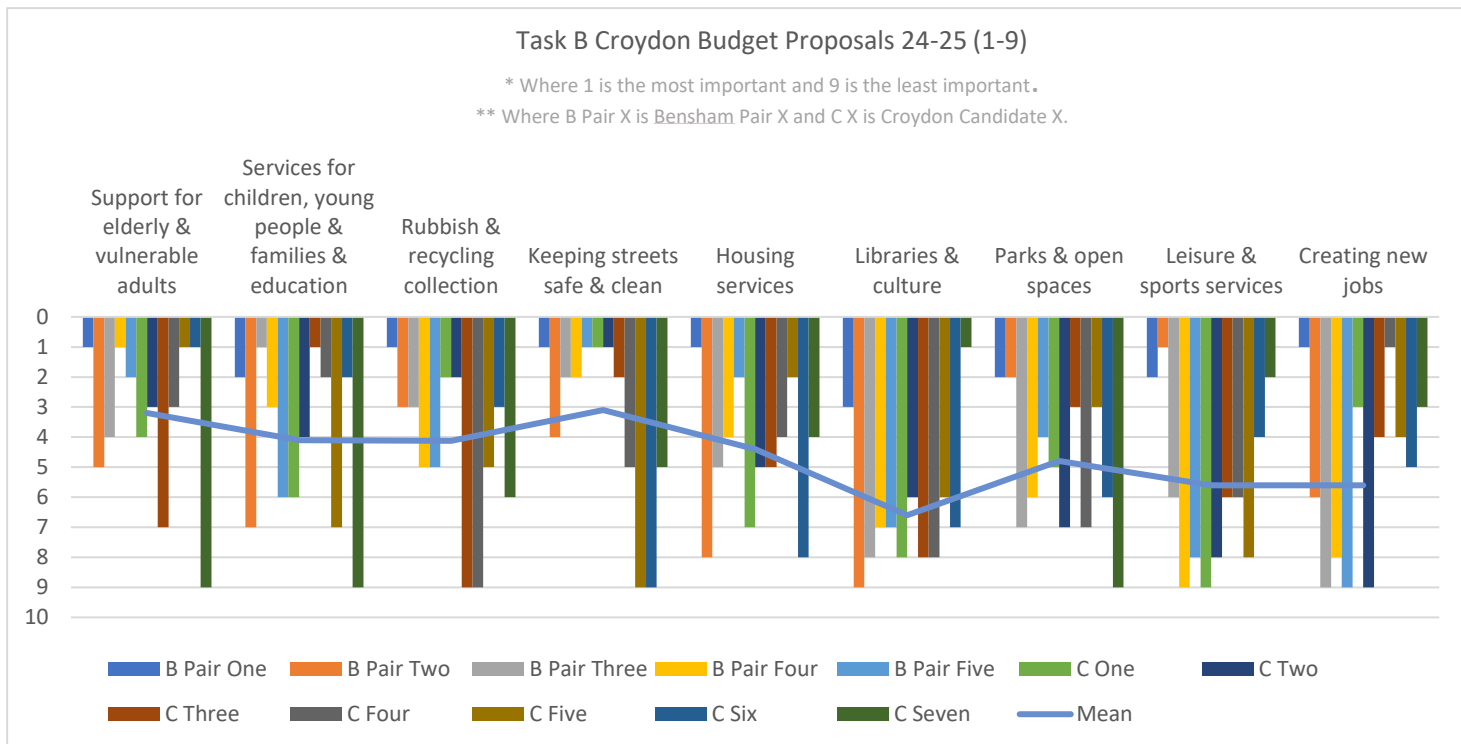
1. Housing services
1. Creating new jobs
3. Leisure & sports services
4. Keeping streets safe & clean
5. Services for children, young people & families & education
6. Libraries & culture.
7. Parks & open spaces
7. Rubbish & recycling collection
7. Services for elderly & vulnerable adults

Task B

At Bensham Manor this activity was completed in pairs, whereas at Croydon College it was completed individually. Overall, keeping streets safe & clean, support for elderly & vulnerable adults and services for children, young people & families & education were highlighted as priorities, with significantly lower means. Proposals ranked 3-5 were less differentiated, suggesting they collectively hold similar importance across the students, as were leisure & sports services and creating new jobs, though they were ranked lower. Libraries & culture received the markedly lowest mean.



1. Keeping streets safe & clean	3.1
2. Support for elderly & vulnerable adults	3.2
3. Services for children, young people & families & education	4.1
4. Rubbish & recycling collection	4.2
5. Housing services	4.4
6. Parks & open spaces	4.8
7. Leisure & sports services	5.6
7. Creating new jobs	5.6
9. Libraries & culture	6.6

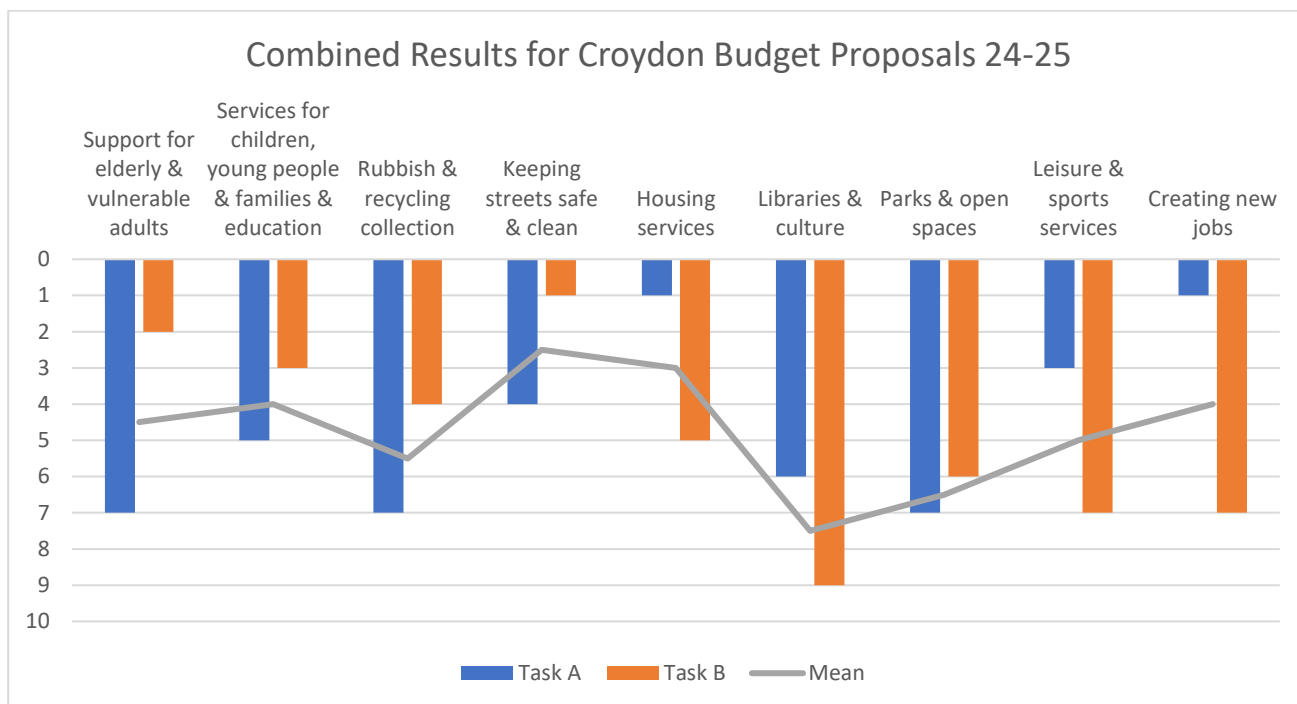


Combined Results

By combining the tasks’ results, the adjacent overall ranking was produced, where keeping streets safe and clean, housing services, services for children, young people & families & education and creating new jobs were ranked 1-3.

The tasks were given equal weighting as 21 students participated in Task A, whilst 19 participated in Task B. Whilst the means are more differentiated, the variation between tasks is generally large, with the groups agreeing most on their lower ranking of parks & open spaces. It should be noted that comparing the two tasks is limited, as Task A was ranked based on frequency whilst Task B expressed preference, as it was ranked by priority.

Croydon Budget Proposals	One	Two	Three	Four	Five
1. Keeping streets safe & clean	4	1	3		2.5
2. Housing services	1	5	4		3
3. Services for children, young people & families & education	5	3	2		4
3. Creating new jobs	1	7	6		4
5. Support for elderly & vulnerable adults	7	2	5		4.5
6. Leisure & sports services	3	7	4		5
7. Rubbish & recycling collection	7	4	3		5.5
8. Parks & open spaces	7	6	1		6.5
9. Libraries & culture	6	9	3		7.5



Qualitative responses

Students had the most suggestions for keeping streets safe & clean, support for elderly & vulnerable people, services for children, young people & families & education and leisure & sports services, and the most frequently made suggestions involved increasing accessibility to community activities for SEND people such as themselves. Other priorities include improving homelessness provisions and more sports activities.

Croydon Budget Proposals 23-24	Qualitative Suggestions
Keeping streets safe & clean	Address Knife crime.
	Address dangerous litter (e.g. needles).
	Generally clean streets.
Support for elderly & vulnerable adults	More systems to support people with disabilities.
	More accessibility for visually impaired and disabled people.
	Disability-friendly public transport.
	More ramps.
Services for children, young people & families & education	More specialist medical care for SEND children.
	More special provision schools.
	Create SEND provisions in mainstream schools
	Support for children to access public transport safely.
	More minibuses.

	More therapy centres.
Rubbish & recycling collection	
Housing services	Homelessness provision Jobs, houses and food for the homeless
Parks & open spaces	More parks in open spaces.
Leisure & sports services	More sports: swimming, football, tennis, basketball, boxing, etc. Specialist clubs for SEND children. Increase lunch funding (has been reduced to £3.50) Family activities Art clubs Drama clubs Common rooms More activities (e.g. games like Monopoly) Indian cinemas
Creating new jobs	
Libraries & culture	
Other	Address cost of living. Lower prices and bills Increase lunch funding (has been reduced to £3.50)

View of the Section 151 Chief Finance Officer on the Robustness of the Budget Estimates and Adequacy of Balances and Reserves

1. Under Section 25 of the Local Government Act 2003, the Corporate Director of Resources (Section 151 Chief Finance Officer) is required to include in the budget report, her view of:
 - the robustness of the 2024-25 estimates.
 - the adequacy of the balances and reserves the budget provides for considering the medium-term risks facing the authority.
2. CIPFA have for the first time issued a public statement on how S151 Officers should approach the Section 25 statement. In setting the background, the statement says:- “It is a demanding time for local authorities as they grapple with immense resourcing challenges ranging from inflationary pressures to rising demand and recruitment constraints. The financial resilience of all local authorities is under strain: “Since 2010-11, local authority spending has fallen from 7.4 to 5.0 per cent of Gross Domestic Product (GDP), and it falls further in our forecast to 4.6 per cent of GDP in 2028-29. Given local authorities’ statutory duty to provide a range of services where demand is likely to continue to grow, for example adult and child social care, pressure on local authority finances and services will continue.” Economic and Fiscal Outlook – November 2023 (Office for Budget Responsibility, 2023).
3. In particular, for Croydon Council, its pre-2020 history of poor financial mismanagement means that it is acutely aware of the dangers associated with finding itself in a Section 114 situation (with S114 reports issued in November 2020, December 2020 and November 2023). The Council is still far from financially sustainable with an ongoing annual revenue budget gap of £38m which is currently capitalised each year through Capitalisation Directions granted by the Secretary of State for Levelling Up, Housing and Communities. This is despite working closely with the Department for Levelling Up, Housing and Communities (DLUHC) and the Improvement and Assurance Panel (IAP) to seek a solution. The process of using Capitalisation Directions increases the financial pressures on the Council’s revenue budget by increasing its annual debt charges into the future.
4. This Section 25 Statement reflects this national and local context.

The Robustness of the Budget Estimates

5. Budget estimates are exactly that, estimates of spending and income at a point in time. This statement about the robustness of estimates cannot give a guaranteed

assurance about the budget but gives Members reasonable assurances that the budget has been based on the best available information and assumptions.

6. For the reasons set out below the Corporate Director of Resources is satisfied with the accuracy and robustness of the estimates included in the 2024-25 Budget Report:
- The budget proposals have been developed following guidance from the Corporate Director of Resources and have been through a robust process of development and challenge with the Executive Mayor, Scrutiny and Cabinet Members, the Chief Executive and the Corporate Management Team, service directors and managers.
 - All proposals for new growth and savings have required the preparation of business cases and been subject to challenge at Star Chamber meetings.
 - The 'Opening the Books' review identified substantial accounting corrections that had one-off and on-going implications for the Council's 2023-24 budget. These are recognized in the proposed 2024-25 Budget and Medium-Term Financial Strategy to 2027-28.
 - Constructive dialogue has been undertaken with central government and it is expected that the Secretary of State for Levelling Up, Housing and Communities is minded to provide a Capitalisation Direction of up to £38m for 2024-25. Allowance is made for the debt financing costs that will arise from the potential use of the additional Capitalisation Direction.
 - A provision of £18.2m is set aside for inflation and takes reasonable account of potential future pay awards and the government forecast¹ for continued inflationary pressures.
 - A £5m provision is set aside for 2025-26 onwards regarding economic demand pressures.
 - The revenue budget proposals provide for the Council to hold an unallocated contingency of £5m to meet unforeseen budget pressures.
 - Service managers have made reasonable assumptions about growth pressures which, following corporate challenge were not manageable within current budgets, and have resulted in additional essential investment.
 - Rigorous mechanisms are in place to monitor sensitive areas of expenditure with regular assurance meetings held to ensure that all proposals within the medium-term financial strategy are managed well and that budgets remained on track during the year.
 - The use of budget monitoring in 2023-24 to re-align budgets where required with mitigating actions identified to meet budget pressures and growth provided when needed. As a result of the stringent approach to monitoring, the latest Month 8 Financial Performance Report predicts that the Council is likely to be able to balance its in-year budget pressures with no use of the £5m financial risk

¹ Autumn Statement 2023 – Inflation forecast to be 2% in the first half of 2025.

contingency.

- Key risks have been identified and considered.
- Prudent assumptions have been made about interest rates payable and the budget proposals comply with the requirements of the Prudential Code and Treasury Management Strategy. The revenue effects of the capital programme are reflected in the budget.
- Fees and charges are incorporated within the budget and charges for 2024-25 were approved by Cabinet on 6 December 2023.
- Corporate and Directorate Management Teams have been involved in the detailed development of the proposed savings and have confirmed their deliverability.
- A prudent approach has been adopted on the local share of business rates income and council tax income receivable with detailed financial modelling used to support the forecast.
- A Hardship Fund of £0.5m has been set aside to protect those low income households that find themselves in financial difficulty due to the increase in Council Tax.
- Regular benchmarking is undertaken against 'statistical neighbour councils' to ensure budgets are reasonable.

Balances, Reserves and Risks

7. Reserves play a crucial role in good public financial management. They enable investment in service transformation and provide resilience against unexpected events or emergent needs. As one-off resources they can only be spent once. Croydon has a well-documented history of the imprudent use of reserves to balance its budget. It is the view of the Corporate Director of Resources that the 2024-25 budget proposals only include prudent and appropriate use of reserves to meet one off costs and that they are adequate considering the medium term risks facing the council.
8. Croydon faces a range of substantial financial risks that may require the use of reserves. These include:
 - Key departmental financial risks as set out in Appendix L
 - The outcome of discussions with central government on the Council's request for additional Capitalisation Directions / assistance of £38m per annum from 2025-26 onwards.
 - A further upturn in inflation and impact of the rising cost of living. Against this risk the Council has set aside an inflation provision of £18.1m.
 - Addressing pent-up demand/pressures as part of the Covid-19 recovery. This has particularly impacted on temporary accommodation budgets.
 - Hospital discharge delays and pressures in the adult social care sector regarding social care waiting times, fee rates and workforce capacity.

- There is a risk that the number of children in care or the number of homeless families in the borough increases beyond what can be accommodated within existing budgets.
 - There is a risk that the number of children on ECHPs (Education Health & Care Plans) who require transport to school increases beyond what can be accommodated within existing budgets.
 - The Council generates significant levels of income, particularly within the Sustainable Communities Regeneration and Economic Recovery directorate, across Planning, Building Control and Parking services. The socio-economic conditions, alongside inflationary pressures and the cost of living crisis have created a more uncertain environment on which these income levels are predicated with fewer major planning applications, declining town centres and high streets, reduction in commuting, and uncertainty in the construction sector following the introduction of the Building Safety Act and new Building Safety Regulator. There is a risk that this could lead to some budget pressures across income generating budgets during 2024-25.
 - The risk of recession and impact on demand for Council services and income streams, such as business rates and council tax.
 - Additional financial issues coming to light as part of the Opening the Books project and the continued external audit of the past 4 years of the Council's annual accounts.
 - The impact of the wider economy on major Council development projects and future capital receipts.
 - The future impact on London of the government's 'levelling-up' agenda and wider local government finance reform (including the government grant regime and business rates).
 - A significant movement in interest rates. This would impact on both the core borrowing undertaken to finance the historic capital programme and future borrowing regarding the use of Capitalisation Directions.
 - The impact of, and costs of, tackling climate change.
 - The challenge of identifying further significant future savings that balance the budget over the longer-term. The current MTFS modelling identifies a target for new savings of £20m per annum beyond 2025-26. However, there is an annual £38m shortfall driven by the cost of debt in the Council's ongoing annual budget which is currently assumed to be funded from annual Capitalisation Directions, which in turn will generate more cost pressures from their associated debt charges. This is not a sustainable financial position and needs to be resolved.
9. Over the past 4 years Croydon has taken robust action to restore reserves from a negative base. The current estimate of reserves that will carry forward to 2023-24 are summarised in Table 1. The current estimate is still subject to review through the closedown of the accounts process for 2019-20 to 2022-23. The estimated general fund balance was £27.5m at the start of 2023-24 and is not anticipated to change prior to the start of 2024-25.

Table 1 – Reserves Carried Forward to 2023-24

	Balance 1st April 2023 £'m
Earmarked Reserves	60.4
Restricted Reserves	64.7
Sums set aside regarding business rate rebates	12.1
Balances held by Schools	6.7
General Fund Balances	27.5
Total	171.4

10. Croydon holds reserves for the following main purposes.
- As a contingency to cushion the impact of unexpected events or emergencies – this forms part of general balances. The Council’s general fund balance was £27.5m at the start of 2023-24 and is not anticipated to change prior to the start of 2024-25. The Corporate Director of Resources is of the view that this should be the minimum level of general fund balance that the Council holds given its scale, complexity as a unitary council and historically high-risk profile.
 - To build up funds for known or predicted requirements; these specific reserves are known as earmarked reserves. The balance at the start of 2023-24 was estimated to be £64.7m but this figure is still subject to final external audit.
 - Restricted reserves are also earmarked but there are more constraints, such as grant terms and conditions, on how the council can use such funding. The largest restricted reserve is £28.5m relating to business rates income ringfenced for use in the Croydon Growth Zone.
 - Specific reserves relating to school balances and the funding of business rate rebates as part of the government’s Covid measures. As set out in Appendix F the 2023-24 business rates income forecast includes a drawdown from the business rate relief reserve (which was funded from government grant) of £12.1m that offsets a prior year adjustment made for rate reliefs granted during the covid-19 pandemic.
11. As part of the actions taken by Croydon to ensure effective strategic oversight of the level and use of reserves Cabinet are requested to approve a reserves policy for 2024-25 as set out in Appendix M.

12. It is the view of the Section 151 Chief Financial Officer that the Council's Housing Revenue Account (HRA) reserves are currently in surplus and that the proposed drawdown from its reserves budgeted in the HRA Business Plan are affordable.
13. Finally, the Council currently holds a negative High Needs Dedicated Schools Grant Reserve, as permitted by a statutory override in place until at least April 2026. The negative reserve is being addressed through a Department for Education Safety Value agreement and is expected to be positive by the end of the financial year 2026-27. It is the view of the Section 151 Chief Financial Officer that these arrangements are robust and are being monitored regularly.

Financial Risks

Figures are incremental

Adult Social Care & Health

Service Area	Short description of risk	Risk				Potential Mitigation
		2024-25 £000s	2025-26 £000s	2026-27 £000s	2027-28 £000s	
All care	Inflation Inflation has been budgeted for corporately, however providers are currently approaching commissioners for increases of between 9.5% and 45%. These requests are outside the Fair Cost of Care exercise. In some instances the department may need to pay inflationary increases to ensure provider stability. Croydon has signed up to the Ethical Care Charter, which stipulates that providers must pay employees London Living Wage. For 2024-25 LLW has increased by 10.04%	5,000	5,500	6,000	6,500	
All care	Demand Work continues to manage demand for social care, however this is challenging in the current economic climate especially with regard to increasing demand for mental health services	500	1,000	1,500	2,000	
All care	Market Sustainability Fund and Hospital Discharge Fund Funding has not been confirmed beyond 2024-25. Market sustainability funds support recurrent provider fee increases. Hospital discharge funds care for people leaving hospital and staffing. The loss of either grant will result in new pressures.	0	8,400	8,400	8,400	Confirmation of the continuation of these grants
All staffing	Workforce Recruiting staff is increasingly more difficult, with recognised shortages of social workers and occupational therapists. Despite the work that has been undertaken to reduce reliance, in order to meet statutory services and deliver transformation, there is a likelihood that the need for more costly agency staff will increase.	500	TBA	TBA	TBA	

Childrens and Young People

Service Area	Short description of risk	Risk				Potential Mitigation
		2024-25 £000s	2025-26 £000s	2026-27 £000s	2027-28 £000s	
Social Work with Children Looked After and Care Leavers	Increased children looked after numbers and/or clients existing/new young people in high-cost placements	1,768	1,768	1,768	1,768	Early intervention to mitigate the number of children becoming children looked after

Housing

Service Area	Short description of risk	Risk				Potential Mitigation
		2024-25 £000s	2025-26 £000s	2026-27 £000s	2027-28 £000s	
Homelessness	Availability of private rental properties is low (landlords leaving the market) leading to high inflation and increased use of nightly paid accommodation	5,000	5,000			Budget for inflationary pressures Implement savings measures as planned including use of HRA stock; occupancy review etc. Strengthen relationships with Housing Associations to increase nomination rights Use financial data to target most cost effective property as homelessness accommodation
Homelessness	Potential fire safety works at leased blocks, e.g. Sycamore House, may lead to extended decant periods into more expensive nightly paid accommodation	3,000				Claim costs from freeholder Consider additional fire safety measures, such as a waking watch, to minimise void periods
Homelessness	Service disruption due to ongoing impact from remodelling service processes	500				Considered use of agency staff to cover gaps
Homelessness	Specialist accommodation providers leaving the market leading to difficulty in providing statutory services	500				Look at feasibility of providing in-house supported accommodation services

Sustainable Communities Regeneration & Economic Recovery

Service Area	Short description of risk	Risk				Potential Mitigation
		2024-25 £000s	2025-26 £000s	2026-27 £000s	2027-28 £000s	
Highways and Parking and Strategic Transport	There is a risk given the current financial situation at TFL that anticipated funding for infrastructure projects may be delayed or rescinded which may result in additional capital borrowing needed by the council be that to cover loss of income or to complete projects.	TBA				
Highways and Parking	Although there has been a rightsizing of the Parking Budget the current cost of living crisis, continued changes in the number of people working from home since the pandemic and other economic factors may affect the number of people using Parking in Croydon. This will affect both Pay & Display and PCN Income.	TBA				
Highways and Parking	Highway Infrastructure Assets - Under-investment in infrastructure including bridges, roads, flood defences, etc. Risk of serious damage and litigation as well as substantial increase in repair costs.	TBA				
Highways and Parking	New box junction and bus lane ANPR cameras not achieving income targets due to increased expected compliance	TBA				
Highways and Parking	Delays to transformation of parking policy- emission discounts for parking, parking permit price increase, cashless P&D, controlled parking expansion - reducing anticipated income.	TBA				
SEND Transport	Unprecedented increase in demand and inflation for Home to School SEND Travel	TBA				
Development Management	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, therefore income may be reduced.	TBA				

CORPORATE

Service Area	Short description of risk	2024-25	2025-26	2026-27	2027-28	Potential Mitigation
		£000s	£000s	£000s	£000s	
Council Wide	Upturn in inflation - pay award and contract inflation 1% higher than currently modelled	6,000	6,000	6,000	6,000	Review and management of contracts. Offset against future years economic demand and pressures contingency
Council Wide	1% increase in borrowing costs (due to interest rate rises)	500	500	500	500	Review in-year Treasury Management Strategy
Council Wide	Cash flow risk (unwinding of internal borrowing - £75m reduction modelled)	1,118				Review in-year Treasury Management Strategy
Business Rates	Reduction in income due to business closure/lower economic activity	0	8,600		0	The impact will be in future years. The risk shown would reduce business rates income to the minimum level (safety net threshold) guaranteed by the government.
Total Risks Quantified (mid-point taken when a range identified)		24,386	36,768	24,168	25,168	

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Reserves Policy

1. Croydon's finances are under strain from inflationary pressures and increasing demand for essential social care, housing and welfare services. The Council's financial challenge is compounded by a well-documented history of local legacy issues that included an imprudent use of reserves to balance its budget.
2. Under Section 25 of the Local Government Act 2003, the Director of Resources (section 151 Officer – S151 Officer) is required to include, in budget reports, her view on the adequacy of balances and reserves.
3. The Code of Practice on Local Authority Accounting sets out the accounting treatment for reserves. CIPFA has issued Local Authority Accounting Panel (LAAP) Bulletin No.55, Guidance Note on Local Authority Reserves and Balances and LAAP Bulletin 99 (Local Authority Reserves and Provisions). Compliance with the guidance is recommended in CIPFA's Statement on the Role of the Chief Financial (S151) Officer in local government.
4. This policy accords with the statutory regime and relevant non-statutory guidance regarding reserves. It acknowledges the financial challenge facing Croydon and how reserves play a crucial role in good public financial management:
 - They provide resilience against unexpected events and emergent needs.
 - Can enable investment in service transformation and priorities.As one-off resources they can only be spent once.

Overview

5. Croydon's overall approach to reserves is defined by the system of internal control set out in the Council's Annual Governance Statement. Key elements of the internal control environment are objective setting and monitoring, policy and decision making, compliance with statute and procedure rules, risk management, achieving value for money, financial management and performance management.
6. Croydon maintains reserves for the following purposes:
 - As a contingency to cushion the impact of unexpected events or emergencies – this forms part of general balances.
 - To build up funds for known or predicted requirements; these specific reserves are known as earmarked reserves.
 - Separate balances and reserves are maintained for the General Fund, Schools and Housing Revenue Account (HRA).
 - The Council is also required to maintain unusable reserves to comply with accounting requirements. As the term suggests these reserves are not available to fund expenditure.
7. For 2023-24 Croydon carried forward estimated General Fund reserves and balances of £171.4m. The final confirmation of earmarked reserves is still being established through the closedown of the accounts for 2019-20 to 2022-23.

Table 1 – General Balance and Earmarked Reserves

Balance carried forward to 2023-24	
<i>General Fund</i>	£'m
General Balance	27.5
Earmarked Reserves	60.4
Restricted Reserves	76.8
Schools	6.7
	171.4
HRA General Balance	30.0

8. The level of the general balance is a matter for the Council to determine having had regard to the advice of the S151 Officer. It is a matter of judgement which will take account of the extent to which specific risks are supported through earmarked reserves. The latest comparative data produced by DLUHC¹ indicates that Croydon's general and earmarked reserves are still below the median level for a London Borough (46% of service expenditure compared to the median for London of 59%).

Strategic Approach

9. To ensure effective strategic oversight of the level and use of reserves Croydon's approach is based on the following key principles:
- General Balances and risk assumptions need to be reviewed annually as part of the Council Tax and Budget report.
 - Those reserves no longer required for their intended purpose are identified and made available for other defined priorities.
 - A long-term view will be used when assessing the use of reserves to ensure that existing commitments and agreed priorities can be delivered.
 - Whilst use of the general balance can be a part of a plan to ease future budget reductions, and to allow longer term savings to come to fruition, it is not a prudent use to draw down from the general balance with no clear plan on how any future budget gap will be bridged.
 - The use of reserves will be minimised through consideration of appropriate contributions from partners, alternative revenue contributions and regular balance sheet review.
 - When the Council is in receipt of one-off and non-recurrent resources it should aim to use them to replenish and top-up reserves.

¹ Local authority general fund earmarked and unallocated reserve levels, 2017-18 to 2021-22- DLUHC paper published 18 May 2023

Use of Reserves

General Balance

10. General Balances cover unforeseen financial risks and provide cover for unexpected or unavoidable additional costs. Following the legacy budget adjustments made regarding the 'Opening the Books' exercise the Council's restated general fund balance was £27.5m at the start of 2023-24. This is not anticipated to reduce further before 2024-25 albeit the Council's Accounts for the years 2019-20 to 2022-23 are subject to finalisation. The Corporate Director of Resources is of the view that this should be the minimum level of general fund balance that the Council holds given its scale, complexity as a unitary council and historically high-risk profile.

Earmarked Reserves

11. Earmarked reserves are held for several purposes:
 - Sums set aside for council priorities and initiatives.
 - Insurance reserves
 - Service transformation and improvement.
 - To meet one-off pressures.
 - As mitigation against future risks such as government funding reform.
 - To smooth expenditure profiles between years, such as local elections.
 - To smooth income profiles such as business rates and council tax
 - The carry forward of unspent revenue grants or funding, such as the Croydon Growth Zone, held for a specific purpose.
12. Some earmarked reserves have restrictions placed on their use. For example, reserves relating to unspent revenue grants may have conditions attached. The need for each reserve is reviewed annually to ensure they are still required for their intended purpose and a summary on the movement in reserves is published annually, to accompany the annual Statement of Accounts.
13. The use of some reserves is also limited by Regulation e.g. the Collection Fund balance must be set against Council Tax levels, reserves established through the HRA can only be applied within that. Schools' reserves are also ring-fenced for their use, although there are certain regulatory exceptions.

Management

14. All reserves are reviewed as part of the budget preparation, financial management and closing processes. The Council will consider a report from the S151 Officer on the adequacy of the reserves in the annual budget-setting process. The report will contain estimates of reserves where necessary. The Audit and Governance Committee will consider actual reserves when approving the statement of accounts each year.

15. For each reserve established, the purpose, usage, procedures for the management and control of reserves, and basis of transactions should be clearly identified. The creation, addition or reduction of, and authorisation of expenditure from, reserves is subject to agreement by the Corporate Director of Resources (S151) Officer.
16. The following matters apply to individual reserves:
 - The General Fund working balance will not fall below the level recommended at Budget Council without the approval of Cabinet.
 - The Capital Financing Reserve is applied to meet future investment plans and is available to fund investment directly or to support other financing costs. The reserve can also be used for preliminary costs of capital schemes e.g. feasibility.
 - The Schools Reserve, HRA Reserve and the Insurance Reserve are clearly defined and require no further authority for the financing of relevant expenditure.
17. The Council will review the Reserves Policy on an annual basis.

Equality Analysis: Revenue Budget and Council Tax Levels 2024-25

1. Introduction

1.1 Purpose of Equality Analysis

The Council has an important role in creating a fair society through the services we provide, the people we employ and the money we spend. Equality is integral to everything the Council does. We are committed to making Croydon a stronger, fairer borough where no community or individual is held back.

Undertaking an Equality Analysis helps to determine whether a proposed change will have a positive, negative, or no impact on groups that share a protected characteristic. Conclusions drawn from Equality Analyses help us to better understand the needs of all our communities, enable us to target services and budgets more effectively and also help us to comply with the Equality Act 2010.

An equality analysis must be completed as early as possible during the planning stages of any proposed change to ensure information gained from the process is incorporated in any decisions made.

In practice, the term '**proposed change**' broadly covers the following:

- Policies, strategies and plans;
- Projects and programmes;
- Commissioning (including re-commissioning and de-commissioning);
- Service review;
- Budget allocation/analysis;
- Staff restructures (including outsourcing);
- Business transformation programmes;
- Organisational change programmes;
- Processes (for example thresholds, eligibility, entitlements, and access criteria).

2. Proposed change

Directorate	All
Title of proposed change	Revenue Budget and Council Tax Levels 2024-25
Name of Officers carrying out Equality Analysis	Allister Bannin, Director of Finance (Deputy s151 Officer)

2.1 Purpose of proposed change

The Council is obliged to set a balanced budget and council tax charge in accordance with the Local Government Finance Act 1992.

This equalities impact assessment relates to the 2024-25 revenue budget proposals regarding:

A council tax increase of 2.99% and a 2% increase in the adult social care precept levy. These are to the Council's element of council tax (the Greater London Authority sets the increase level to the GLA element).

Demand pressures, inflation and proposed savings.

Legacy financial issues and budget corrections.

Context for Change

Changing Demographics

Data from the 2021 census shows that Croydon's population has grown by 7.5% since the 2011 census to 390,800. This is slightly lower than the increase for London (7.7%). Other comparative data from 2021 Census:

- Croydon ranked 16th for total population out of 309 local authority areas in England.
- Croydon has the highest population in London.
- The number of households has increased to close to 160,000 compared to 145,000 recorded in Census 2011.
- Croydon is the 10th least densely populated of London's 33 local authority areas.

In Croydon,

- 52% of the population are female.
- 19.3% of the population are under 15 years and 13.6% over 65 years.

Based on the age bandings for delivering services in Croydon:

- 23.1% of residents in Croydon are aged 0-17 years.

A council tax increase of 2.99% and a 2% increase in the adult social care precept levy.

In December 2023 the provisional Local Government Finance Settlement was published by the Department for Levelling Up, Housing and Communities (DLUHC). As part of that settlement announcement, DLUHC indicated the level of increase in council tax, or, the council tax cap that councils can consider charging. For most councils in the country the cap is a 4.99% increase to council tax bills (for the council element).

The scale of our financial problems means that we must look at every option possible to protect vital services. In addition, it is important that all residents are supported to pay the council tax due for their households. The council has a Council Tax Support Scheme in place to support those on low incomes and has proposed as part of this budget a continuation of the additional Hardship Fund set up in 2023-24 which has been available for households struggling to pay the extra council tax increase in 2023-24. The council takes an ethical approach to council tax collection focussing on collecting debts swiftly from households that can pay and supporting households that are struggling to make ends meet.

Demand pressures, inflation and proposed savings.

Adult social care accounts for more expenditure at Croydon than any other service (30% of net budget). The demographic pressures in this area are felt across the country with an increasing number of service users and increasing complexity of needs. The proposed budget includes adult social care demographic growth of £4.5m for 2024-25. This 4% growth in budget reflects recognised best practice for local councils to plan for demand led pressures in adult social care.

However, we know that our adult social care cost base is too high and we can learn from other Councils, so the proposed budget also includes transformation savings of £5.0m in 2024-25. These will be delivered through a mixture of ensuring packages of care are reviewed, meeting an individual's current needs and through managing demand, leading to better outcomes for better value. The medium term financial strategy (MTFS) also includes indicative savings of £4.0m for 2025-26 and 2026-27, which will be reviewed following completion of a diagnostic review of the Adult Social Care and Health directorate with an external delivery partner.

The service offer remains the same, as outlined in the principles below:

Adult social care services reflect the relevant legislation underpinning social care and health through the Care Act (2014).

- All packages are assessed or reviewed, proportionately, through a strengths-based approach, considering safeguarding, to meet the needs of the individual and carers.
- Residents can access appropriate services provided in-house or commissioned by the Council, or delivered independently by the voluntary and community sector.
- Where people have the financial means to pay a contribution, or to pay for their care in full, this will be in line with the self-funding legislations outlined in the Care Act and wider national policy.

Within Council services supporting Children, Young People, Families and Education there are proposals to improve the effectiveness of services as part of the Corporate Parenting Transformation Programme. This includes reducing the cost of Children Looked After placements through increasing foster care provision and these are not expected to have a negative impact on residents/clients.

Directorates have drafted equality impact assessments (EQIAs) for proposed savings and these will be reviewed prior to implementation of changes. Where there are savings relating to restructures, the separate EQIAs will be shared with trade unions and affected staff as part of consultation processes. The appendix to this EQIA includes an overview of the officer make up of various protected groups (from data presented to the Council's Equality Diversity and Inclusion Board in January 2023).

Changes to fees & charges were presented to Cabinet on 6 December 2023 with a separate EQIA accompanying the report.

The proposed budget includes growth to take account of inflationary pressures across both pay inflation (staffing) and non-pay inflation (contracts for external services). There is specific growth proposed to strengthen staffing in strategic finance, resilience and emergency planning, and contract management for large contracts. There is also growth to meet demand and cost pressures impacting Special Education Needs transport, the Council's contribution to the Transport for London freedom pass scheme and insurance premiums.

Legacy financial issues and budget corrections

The legacy financial issues that Croydon Council are facing are well documented. Within the Revenue Budget there are proposals to ensure that services are funded at the appropriate level and from the appropriate budget(s). These include growth to realign the public health grant contribution budgets for libraries and physical activities, realign the staffing recharge budgets for the highways service, and Housing Benefit subsidies. Whilst these have an impact on the budget overall, they do not directly impact on service changes and therefore do not impact on protected characteristics.

3. Impact of the proposed change

Important Note: It is necessary to determine how each of the protected groups could be impacted by the proposed change. Who benefits and how (and who, therefore doesn't and why?) Summarise any positive impacts or benefits, any negative impacts and any neutral impacts and the evidence you have taken into account to reach this conclusion. Be aware that there may be positive, negative and neutral impacts within each characteristic.

Where an impact is unknown, state so. If there is insufficient information or evidence to reach a decision you will need to gather appropriate quantitative and qualitative information from a range of sources e.g. Croydon Observatory a useful source of information such as Borough Strategies and Plans, Borough and Ward Profiles, Joint Strategic Health Needs Assessments <http://www.croydonobservatory.org/> Other sources include performance monitoring reports, complaints, survey data, audit reports, inspection reports, national research and feedback gained through engagement with service users, voluntary and community organisations and contractors.

3.1 Deciding whether the potential impact is positive or negative

Table 1 – Positive/Negative impact

	<p>For each protected characteristic group show whether the impact of the proposed change on service users and/or staff is positive or negative by briefly outlining the nature of the impact in the appropriate column. If it is decided that analysis is not relevant to some groups, this should be recorded and explained. In all circumstances you should list the source of the evidence used to make this judgement where possible.</p> <p>PLEASE NOTE: As this report covers a wide range of Council services, the equalities impact caused by changes will differ in line with the service in question, and the demographics of those individuals &/or communities who use or benefit from the service.</p>		
Protected characteristic group(s)	Negative impact	Positive impact	Source of evidence
Age	<p>The Revenue Budget and Council Tax Levels 2024-25 may have impacts that vary across this protected characteristic group. In some cases the impact may be significantly greater than for other residents. The mitigations for any potential negative impacts are laid out in section five of this report.</p> <p>Savings are proposed from placement costs for adults and looked after children. This is primarily achieved through gatekeeping controls on costs at the point of identifying suitable placements and ensuring effective</p>	<p>The budget seeks to reduce spend on placements for adults and looked after children. More adults will be able to live independently in the community and less children will be exposed to the negative impacts of being 'in care'.</p>	<p>Croydon's population continues to age with those over 65 increasing by 19.7% since the 2011 Census. The median age also increased by two years, from 35 to 37 years of age.</p> <p>The borough data regarding age is as follows:</p> <ul style="list-style-type: none"> • 97,900 0-19 year olds. This is the highest in London. (2021 Census) • 239,700 20-64 year olds. This is the highest in London. (2021 Census) • 53,100 65+ year olds. This is the 3rd highest in London. (2021 Census)

support is provided to enable adults to continue to live independently in the community and children to remain living at home or within their wider family network. The Council will continue to meet statutory needs in line with social care legislation.

Proposed changes to the council tax Care Leavers Relief Scheme include Croydon Council not providing council tax reduction for young people leaving care who are placed by other Local Authorities (LAs) to live in Croydon. A separate EQIA has been completed in relation to proposed changes to the Scheme.

The Council will continue to support Croydon's young people leaving care by providing a 100% reduction in their Council Tax liability (bill) from the age of 18 to 24 inclusive. Nationally each LA has a corporate parenting responsibility for their own care leavers, so Croydon expects that where another LA has corporate parenting responsibility for a care leaver, they provide the support to the care leaver. This is normal practice for London councils and Croydon is currently an outlier in this regard.

Currently Croydon residents who have a care leaver living with them also receive a 100% reduction in their Council Tax liability. Proposed changes to the Care Leavers Relief Scheme include only care leavers where they are named as a liable party. Awarding a reduction to residents who have care leavers living with them and the care leaver is not responsible (liable) to pay the Council Tax is not direct support to the care leaver and other Councils do not do this.

A 'Staying Put' arrangement is when a young person who was previously in Croydon's care remains with their former foster carer/s after their eighteenth birthday, normally up until 21. Supporting young people into early adulthood through Staying Put is one of the priorities in the Croydon Care Experienced Young People Strategy 2023-25 agreed at Cabinet in October 2023.

Feedback from the consultation is clear that removing council tax support could dissuade foster carers from entering new Staying Put arrangements and disadvantage those who currently provide this continuity and support for young people into early adulthood.

The council is reviewing foster carer allowance arrangements and will ensure that payments for carers with Staying Put arrangements include support for Council Tax, so that foster carers already in the scheme are not disadvantaged and to support the Council's ambition to increase the take up of these arrangements.

A separate EQIA has been completed in relation to fees and charges (which were presented to Cabinet on 6 December 2023). The change in fees is unlikely to have any impact on this protected characteristic group that is greater than any other resident. Adult Social Care users are subject to a means tested financial assessment which will assess affordability to contribute, or not, to service provision required (as defined by the Care Act 2014).

Disability

The Revenue Budget and Council Tax Levels 2024-25 may have an impact on this protected characteristic group that is significantly greater than any other resident. The mitigations for any potential negative impacts listed below are laid out in section five of this report.

A separate EQIA has been completed in relation to fees and charges (which were presented to Cabinet on 6 December 2023). The change in fees is unlikely to have any impact on this protected characteristic group that is greater than any other resident.

External factors mean some disabled residents face higher costs in areas such as energy use, which may in turn impact their ability to meet any increased costs proposed by Croydon Council.

Residents that are in receipt of 100% Council Tax reduction will not be impacted by the increase in Council Tax. The increase in Council Tax will impact those in receipt of partial reduction for their Council Tax. Therefore, it is reasonable to expect those in receipt of partial Council Tax Support to be impacted by a rise in Council Tax, and the mitigating factors shown later in the EQIA will therefore be essential to supporting this group of residents.

Disability	Croydon
Total: All usual residents	390,719
Disabled under the Equality Act	54,852
Disabled under the Equality Act: Day-to-day activities limited a lot	23,716
Disabled under the Equality Act: Day-to-day activities limited a little	31,136
Not disabled under the Equality Act	335,867
Not disabled under the Equality Act: Has long term physical or mental health condition but day-to-day activities	21,978
Not disabled under the Equality Act: No long term physical or mental	313,889

Employment rates for disabled people, across all ages, are significantly lower than those of non-disabled people.

[The employment of disabled people 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/the-employment-of-disabled-people-2021)

In 28% of Council Tax Support claims either the claimant or partner are disabled and neither are in work, and 3% of claims are classified as disabled working claims meaning either the claimant or partner are disabled and either are in work.

(Source: Croydon Council Tax Support Scheme EQIA, 2023)

Sex	<p>The Revenue Budget and Council Tax Levels 2024-25 are unlikely to have any impact on this protected characteristic group that is greater than any other resident unless a service is utilised by one sex more than another.</p> <p>A separate EQIA has been completed in relation to fees and charges (which were presented to Cabinet on 6 December 2023). The change in fees is unlikely to have any impact on this protected characteristic group that is greater than any other resident.</p>		<p>203,000 (51.9%) residents in Croydon are female and 187,600 are male (48.1%).</p> <p>(Source 2021 Census)</p> <p>Of 16,260 Council Tax Support single claims by females, 11,795 are from working age claimants and of the 6,263 male claims 4,187 are working age.</p> <p>(Source: Croydon Council Tax Support Scheme EQIA, 2023)</p>
Gender reassignment/identity	<p>The Revenue Budget and Council Tax Levels 2024-25 are unlikely to have any impact on this protected characteristic group that is greater than any other resident.</p> <p>A separate EQIA has been completed in relation to fees and charges (which were presented to Cabinet on 6 December 2023). The change in fees is unlikely to have any impact on this protected characteristic group that is greater than any other resident.</p>		<p>According to the ONS Census 2021, of all the Croydon residents aged 16 years and over who responded, 91.6% stated that their gender identity was the same as their sex registered at birth.</p> <p>7.5% of those who responded did not answer the gender identity question.</p> <p>Only 0.9% stated that they had a different gender identity.</p>

<p>Marriage or Civil Partnership</p>	<p>The Revenue Budget and Council Tax Levels 2024-25 are unlikely to have any impact on this protected characteristic group that is greater than any other resident.</p> <p>A separate EQIA has been completed in relation to fees and charges (which were presented to Cabinet on 6 December 2023).</p> <p>The changes in registrars' fees may negatively impact residents based on their intention of entering into marriage or civil partnership. However, the cost of an average wedding is approximately £17,000, therefore the impact of a change in registrars fees is considered to be minimal in comparison to these other potential costs associated with getting married/having a Civil Partnership.</p> <p>The Council offers different burial plots which could be purchased more by people in this protected characteristic group (e.g. double plot may be more popular with those residents that are married or in a civil partnership). However, the fee increase is consistent and therefore there is no impact considered for this protected characteristic.</p>		<p>The borough data on marital status is as follows:</p> <ul style="list-style-type: none"> • 32.8% Married • 34.1% Single • 8.5% Divorced or Separated • 3.7% Widowed • 20.6% No response to question <p>493 people were registered in a same sex civil partnership. 279 people were registered in an opposite sex civil partnership.</p> <p>(Source: Census 2021)</p> <p>4107 (15%) claims of Croydon's Council Tax Support Scheme current case load are those made by couples, the remaining 22,559 (85%) are from single claimants.</p> <p>Whether or not the couples are married or in a civil partnership, or are unmarried partners does not affect the way the claims are calculated. We do not hold specific details regarding if a couple are married or not as we do not ask that specific question in our application form, rather if they have a partner.</p> <p>(Source: Croydon Council Tax Support Scheme EQIA, 2023)</p>
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<p>Religion or belief</p>	<p>The Revenue Budget and Council Tax Levels 2024-25 are unlikely to have any impact on this protected characteristic group that is greater than any other resident.</p> <p>A separate EQIA has been completed in relation to fees and charges (which were presented to Cabinet on 6 December 2023).</p> <p>The changes in bereavement fees may impact residents based on their religion or belief. However, the fee increases are in line with CPI inflation (with rounding for practical purposes) or below CPI inflation and the percentage change between burial and cremation is consistent. Therefore, no impact is anticipated for this protected characteristic group.</p> <p>In relation to registrars' fees, marriage rates may vary by religious groups and therefore it could be suggested that the change in fee would impact this group more. However, and as set out above, the registrars fee is a small proportion of the cost of the average wedding and therefore the change is considered to have minimal impact.</p>		<p>The predominant religion of Croydon is Christianity. According to the 2021 census, the borough has over 190,880 Christians (48.9%), 40,717 Muslims (10.4%) and 23,145 Hindu (5.9%) residents.</p> <p>101,119 (25.9%) Croydon residents stated that they are atheist or non-religious in the 2021 Census.</p> <p>6.9% did not answer the question on religion.</p>
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<p>Race</p>	<p>The Revenue Budget and Council Tax Levels 2024-25 may have an impact on this protected characteristic group that is significantly greater than any other resident.</p> <p>Residents who identify as Black are the largest group in receipt of Council Tax support (although nearly half of recipients have not declared).</p> <p>Residents that are in receipt of 100% council tax reduction will not be impacted by the increase in council tax. The increase in council tax will impact those in receipt of partial reduction for their council tax.</p> <p>A separate EQIA has been completed in relation to fees and charges (which were presented to Cabinet on 6 December 2023). The change in fees is unlikely to have any impact on this protected characteristic group that is greater than any other resident.</p>		<p>Broad Ethnic Group Changes in Croydon from Census 2011 to Census 2021</p> <table border="1" data-bbox="1464 185 2128 360"> <thead> <tr> <th></th> <th>White</th> <th>Black</th> <th>Asian</th> <th>Mixed</th> <th>Other</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>55.1 %</td> <td>20.2 %</td> <td>16.4 %</td> <td>6.6%</td> <td>1.8%</td> </tr> <tr> <td>2021</td> <td>48.4 %</td> <td>22.6 %</td> <td>17.5 %</td> <td>7.65</td> <td>3.9%</td> </tr> </tbody> </table> <p>In 2021, 22.6% of Croydon residents identified their ethnic group within the "Black, Black British, Black Welsh, Caribbean or African" category, up from 20.2% in 2011. The 2.5 percentage-point change was the largest increase among high-level ethnic groups in this area.</p> <p>Across London, the percentage of people from the "Black, Black British, Black Welsh, Caribbean or African" ethnic group increased from 13.3% to 13.5%, while across England the percentage increased from 3.5% to 4.2%.</p> <p>In 2021, 48.4% of people in Croydon identified their ethnic group within the "White" category (compared with 55.1% in 2011), while 17.5% identified their ethnic group within the "Asian, Asian British or Asian Welsh" category (compared with 16.4% the previous decade).</p> <p>The percentage of people who identified their ethnic group within the "Mixed or Multiple" category increased from 6.6% in 2011 to 7.6% in 2021.</p>		White	Black	Asian	Mixed	Other	2011	55.1 %	20.2 %	16.4 %	6.6%	1.8%	2021	48.4 %	22.6 %	17.5 %	7.65	3.9%
	White	Black	Asian	Mixed	Other																
2011	55.1 %	20.2 %	16.4 %	6.6%	1.8%																
2021	48.4 %	22.6 %	17.5 %	7.65	3.9%																

Languages in Croydon

According to the Census 2021,

- 84.0% of the residents who can speak in Croydon speak English as their first language.
- 7.8% speak a European language.
- 6.3% speak an Asian language.

Where a Council Tax Support Scheme claimant has provided their race this has been recorded and the current caseload is broken down as follows:

	Number	% of caseload
Asian or Asian British: Bangladeshi	162	1%
Asian or Asian British: Indian	387	1%
Asian or Asian British: Pakistani	546	2%
Asian or British : Any other Backgrnd	571	2%
Black-Black British:African	2098	7%
Black-Black British:Caribbean	2426	8%
Black-Black British:Other	2433	8%
Chinese	55	0%
Mixed :Any other mixed background	252	1%
Mixed: White and Asian	235	1%
Mixed: White and Black Caribbean	460	2%
White: British	4755	17%
White: Any other White background	1203	4%
Not Known	13077	46%
Total	28660	

(Source: Croydon Council Tax Support Scheme EQIA, 2023)

Sexual Orientation	<p>Our data does not identify that any of the proposed changes are anticipated to impact this protected characteristic group more than other residents with regard to the majority of services. However we are improving our data collection and usage in this area to ensure that our services pay due regard to sexual orientation.</p> <p>A separate EQIA has been completed in relation to fees and charges (which were presented to Cabinet on 6 December 2023). The change in fees is unlikely to have any impact on this protected characteristic group that is greater than any other resident.</p>		<p>According to the ONS Census 2021, of the residents aged 16 years and over who responded to the survey:</p> <ul style="list-style-type: none"> • 87.8% self-classified as Straight or Heterosexual. • 1.5% stated they were Gay. • 1.2% stated they were Bi-Sexual • 0.4% stated All other sexual orientations • 9.1% did not respond to the question <p>Within the current Council Tax Support Scheme caseload there are 4,107 claims made by couples, of those 29 are from couples where each partner is of the same sex.</p> <p>We do not ask for details of claimants' sexual orientation as part of the application process, so are unable to identify the breakdown for those who have made a single application form.</p> <p>(Source: Croydon Council Tax Support Scheme EQIA, 2023)</p>
Pregnancy or Maternity	<p>The Revenue Budget and Council Tax Levels 2024-25, including changes to fees & charges, may impact residents that are pregnant or on maternity if they are not working.</p> <p>However, additional benefits are provided for residents in this situation and therefore the proposed changes are expected to have minimal impact.</p> <p>Due regard will be taken to ensure that any proposed organisational restructures consider the impact on pregnancy/maternity through a separate equality impact assessment.</p>	The development of Family Hubs, bringing services closer to families, may provide benefit to those on maternity.	<p>There were 5,252 births in Croydon in 2020. An estimated 30,000 women lose their jobs as a result of pregnancy every year, according to the Equality and Human Rights Commission (EHRC).</p> <p>We currently have 38 active Council Tax Support Scheme claims where the claimant or partner are in receipt of maternity pay which is recorded on our system.</p> <p>We do not record if someone is pregnant at the time of application.</p> <p>(Source: Croydon Council Tax Support Scheme EQIA, 2023)</p>

	<p>Note: Data disaggregating level of service use by protected characteristic group is unavailable or available in sufficient granularity to draw conclusions in many cases. This will be explored and refined iteratively to inform mitigating strategies wherever practical to do so.</p> <p>Important note: You must act to eliminate any potential negative impact which, if it occurred would breach the Equality Act 2010. In some situations, this could mean abandoning your proposed change as you may not be able to take action to mitigate all negative impacts.</p> <p>See mitigations in Section 5.</p> <p>When you act to reduce any negative impact or maximise any positive impact, you must ensure that this does not create a negative impact on service users and/or staff belonging to groups that share protected characteristics. Please use table 4 to record actions that will be taken to remove or minimise any potential negative impact.</p>
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3.2 Additional information needed to determine impact of proposed change

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Table 2 – Additional information needed to determine impact of proposed change

<p>If you need to undertake further research and data gathering to help determine the likely impact of the proposed change, outline the information needed in this table. Please use the table below to describe any consultation with stakeholders and summarise how it has influenced the proposed change. Please attach evidence or provide link to appropriate data or reports:</p>		
Additional information needed and or Consultation Findings	Information source	Date for completion
<p>The Council’s current data collection of protected characteristics is weak in some areas and rich in others. We are currently carrying out a project to tackle this imbalance with the support of the Head of Profession for Business Intelligence and the Equalities Manager as well as analysts and services across the organisation.</p> <p>The Corporate Management Team and the Equality, Diversity and Inclusion Board are the driving force behind this work stream.</p> <p>Currently an ‘as is’ exercise is taking place to identify areas of weakness in collection that needs to be addressed. This will be followed by a ‘to be’ looking at the information across the Council that we will want to collect and how we go about doing this. Due to having to implement the new process for collection this project will take place in phases.</p>	<p>Index of Deprivation by Lower Layer Super Output Areas (gov.uk). Other data sources to be identified and investigated.</p>	<p>Iterative</p>

For guidance and support with consultation and engagement visit <https://intranet.croydon.gov.uk/working-croydon/communications/consultation-andhttps://intranet.croydon.gov.uk/working-croydon/communications/consultation-and-engagement/starting-engagement-or-consultationengagement/starting-engagement-or-consultation>

3.3 Impact scores

Example

If we are going to reduce parking provision in a particular location, officers will need to assess the equality impact as follows;

1. Determine the Likelihood of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the likelihood of impact score is 2 (likely to impact)
2. Determine the Severity of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the Severity of impact score is also 2 (likely to impact)
3. Calculate the equality impact score using table 4 below and the formula **Likelihood x Severity** and record it in table 5, for the purpose of this example - **Likelihood (2) x Severity (2) = 4**

Table 4 – Equality Impact Score

Severity of Impact	3	3	6	9
	2	2	4	6
	1	1	2	3

		1	2	3
	Likelihood of Impact			

Key

Risk Index	Risk Magnitude
- 9	High
- 5	Medium
- 3	Low

Equality Analysis

Table 3 – Impact scores

Note: The data to populate this table is not available to inform the Equality Impact Score. Evidence for the above is drawn from the Index of Deprivation Score for the 5% most deprived areas in the country and should not be used to draw conclusions. Further research is planned to develop a more reliable indicator. And as stated previously, fee changes were presented to Cabinet on 6 December 2023 with their own EQIA assessment, the table below represents a generic view:

The scores below have been taken on the basis of the Council Tax decision impacting on all residents, and therefore impacting on residents with protected characteristics. These scores are not intended to suggest that protected characteristic groups will be impacted more than others.

Column 1 PROTECTED GROUP	Column 2 LIKELIHOOD OF IMPACT SCORE	Column 3 SEVERITY OF IMPACT SCORE	Column 4 EQUALITY IMPACT SCORE
	Use the key below to score the likelihood of the proposed change impacting each of the protected groups, by inserting either 1, 2, or 3 against each protected group. 1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact	Use the key below to score the severity of impact of the proposed change on each of the protected groups, by inserting either 1, 2, or 3 against each protected group. 1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact	Calculate the equality impact score for each protected group by multiplying scores in column 2 by scores in column 3. Enter the results below against each protected group. Equality impact score = likelihood of impact score x severity of impact score.
Age	3	2	6
Disability	3	2	6
Sex	3	2	6
Gender reassignment	3	2	6
Marriage / Civil Partnership	3	2	6
Race	3	2	6
Religion or belief	3	2	6
Sexual Orientation	3	2	6
Pregnancy or Maternity	3	2	6

Equality Analysis

4. Statutory duties

4.1 Public Sector Duties

Tick the relevant box(es) to indicate whether the proposed change will adversely impact the Council's ability to meet any of the Public Sector Duties in the Equality Act 2010 set out below.

Advancing equality of opportunity between people who belong to protected groups

Eliminating unlawful discrimination, harassment and victimisation

Fostering good relations between people who belong to protected characteristic groups

Important note: If the proposed change adversely impacts the Council's ability to meet any of the Public Sector Duties set out above, mitigating actions must be outlined in the Action Plan in section 5 below.

5. Action Plan to mitigate negative impacts of proposed change

Important note: Describe what alternatives have been considered and/or what actions will be taken to remove or minimise any potential negative impact identified in Table 1. Attach evidence or provide link to appropriate data, reports, etc:

Mitigations

An increase in Council Tax will impact all residents who pay. It appears that there is no significant disproportionate impact on groups or individuals that share one or more protected characteristic. With regard to the increase in Council Tax there are four specific key mitigations:

- The Council's Council Tax Support Scheme for those with a low income.
- The Revenue Budget proposals include plans to continue the hardship fund set up in 2023-24 to support residents who are not eligible for Council Tax Support but who are finding it hard to pay their full increase in Council Tax.
- The dedicated information hub to [help with the rising cost of living](#) available on the Council's website.
- The Council's ethical approach to council tax collection.

Equality Analysis

With regard to the wider impact from increases in Council Tax and fees & charges, and cost of living pressures, the Council has in place various schemes to support residents who experience financial difficulty, some of whom will fall within the protected characteristic groups and may be affected by the proposed increases, to help mitigate impact. Listed below are some examples of what support is currently available, taken from a wide range of support schemes across the Council.

- The Council has a statutory duty to protect those on low, or no income, and supports with claims for Council Tax support, Housing Benefit and Universal Credit.
- Council tax discount for care leavers, single person occupier, residents with disabilities and full-time students.
- Benefits calculator, to ensure residents receive the support to which they are entitled.
- Discretionary support for residents in financial hardship, including the Household Support Fund.
- Housing Revenue Account (HRA) discretionary fund targeted for tenants that are not in receipt of housing benefit.
- Healthy Homes is Croydon Council's free energy advice service aimed at Croydon residents on low incomes, and those more vulnerable to the effects of living in a cold home (especially families with young children, older residents, and residents with pre-existing medical conditions).
- Croydon Council Money Advice Service for advice on paying your bills and debt worries. All advice is independent and confidential.
- 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.
- Free holiday activity clubs with healthy meals for children.
- The Council in partnership with Nimbus Disability offer a discount card to all children and young people on our disability register. The card is free and is part of a national access card scheme, giving benefits and discounts to facilities and activities across the country, such as leisure, sports and fitness, cinema, etc.
- There are discounted rates for all leisure centre activities for Croydon residents with disabilities. If a disabled person needs a carer with them in order to access leisure centre services, the carer is entitled to free entry.
- Croydon Council Leisure Centres offer discounted rates for residents Seniors 60+ years and Juniors 4-15 years.

Equality Analysis

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.

The continuing review of Discretionary Housing Placements may impact residents, however a lack of data regarding protected characteristics means it is not currently possible to identify any impact to groups sharing protected characteristics. Further work will be undertaken by the service to improve data collection. In terms of mitigation, every household will be given the appropriate financial support or advice to help them move into alternative private rented sector accommodation.

In respect of specific proposals, it is likely that some proposals may result in new policy or service changes. In this instance each proposal will be accompanied by an equality analysis and/or consultation which will inform the final proposal and its implementation, on a case by case basis.

Equality Analysis

Complete this table to show any negative impacts identified for service users and/or staff from protected groups, and planned actions to mitigate them.

Protected characteristic	Negative impact	Mitigating action(s)	Action owner	Date for completion
Age	<ol style="list-style-type: none"> 1. Savings are proposed from placement costs for adults and looked after children. 2. Croydon Council not providing council tax reduction for young people leaving care who are placed by other Local Authorities (LAs) to live in Croydon. 3. Croydon Council not providing council tax reduction for carers with Staying Put arrangements (a young person who was previously in Croydon's care remains with their former foster carer/s after their eighteenth birthday, normally up until 21). 	<ol style="list-style-type: none"> 1. The Council will continue to meet needs and statutory duties, and the gatekeeping of such services will be governed by policy and procedures that ensure fair treatment of protected groups. A separate EQIA/s will be completed before implementation of any service changes which are proposed following review of service commissioning/contracts. 2. Targeted consultation has been carried out with young people leaving care. The impacted young people leaving care will be contacted and recommended to apply to their placing LAs for support. London LAs will be contacted to inform them of the change and recommending for them to contact their impacted young people leaving care to provide support. 3. The council is reviewing foster carer allowance arrangements and will ensure that payments for carers with Staying Put arrangements include support for Council Tax, so that foster carers already in the scheme are not disadvantaged and to support the Council's ambition to increase the take up of these arrangements. 	<ol style="list-style-type: none"> 1. Corporate Director (ASCH) and Corporate Director (CYPE) 2. Head of Payments, Revenues, Benefits & Debt 3. Corporate Director (CYPE) 	<ol style="list-style-type: none"> 1. Proposal specific EQIAs as required from 06/03/24 2. 22/03/24 3. 22/03/24

Equality Analysis

Complete this table to show any negative impacts identified for service users and/or staff from protected groups, and planned actions mitigate them.

Protected characteristic	Negative impact	Mitigating action(s)	Action owner	Date for completion
Disability	1. External factors mean some disabled residents face higher costs in areas such as energy use, which may in turn impact their ability to meet any increased Council Tax costs.	1. The Council will continue to promote access to available support (as detailed in the mitigations in section 5 above), including on the back of Council Tax bills. Potential sources of support include the Council Tax Support Scheme, Household Support Fund and the Hardship Fund.	1. Head of Payments, Revenues, Benefits & Debt	1. Ongoing.
Sex	N/A	N/A	N/A	N/A
Gender reassignment / identity	N/A	N/A	N/A	N/A
Marriage / Civil Partnership	N/A	N/A	N/A	N/A
Sexual orientation	N/A	N/A	N/A	N/A
Religion or belief	N/A	N/A	N/A	N/A
Race	1. Impact of Council Tax increase. Residents who identify as Black are the largest group in receipt of Council Tax support (although nearly half of recipients have not declared).	1. The Council will continue to promote access to available support (as detailed in the mitigations in section 5 above), including on the back of Council Tax bills. Potential sources of support include the Council Tax Support Scheme, Household Support Fund and the Hardship Fund.	1. Head of Payments, Revenues, Benefits & Debt	1. Ongoing.
Pregnancy or maternity	N/A	N/A	N/A	N/A

Equality Analysis

Table 6. Decision on proposed change

Based on the information outlined in this Equality Analysis enter X in column 3 (Conclusion) alongside the relevant statement to show your conclusion.		
Decision	Definition	Conclusion - Mark 'X' below
No major change	Our analysis demonstrates that the policy is robust. The evidence shows no potential for discrimination and we have taken all opportunities to advance equality and foster good relations, subject to continuing monitoring and review. If you reach this conclusion, state your reasons and briefly outline the evidence used to support your decision.	
Adjust the proposed change	<p>We will take steps to lessen the impact of the proposed change should it adversely impact the Council's ability to meet any of the Public Sector Duties set out under section 4 above, remove barriers or better promote equality. We are going to take action to ensure these opportunities are realised. If you reach this conclusion, you must outline the actions you will take in Action Plan in section 5 of the Equality Analysis form</p> <p>Whilst changes in fees and charges may impact in some cases, this impact is considered to be minimal as set out in the information above.</p> <p>Mitigations and adjustments are already in place to support residents that may help them manage debt or financial vulnerability detailed. This includes signposting and discretionary support.</p> <p>Service departments will need to collate data on their service users to monitor impact. Some departments will have existing service level data regarding some protected characteristics and not others. Where data does not currently exist, each service must create an action around collecting data across all protected characteristics. As data is received the EQIA should be updated, demonstrating data and evidence where change has been made.</p> <p>Residents should be provided with details of support organisations in both digital and non-digital formats</p>	X

Equality Analysis

Continue the proposed change	We will adopt or continue with the change, despite potential for adverse impact or opportunities to lessen the impact of discrimination, harassment or victimisation and better advance equality and foster good relations between groups through the change. However, we are not planning to implement them as we are satisfied that our project will not lead to unlawful discrimination and there are justifiable reasons to continue as planned. If you reach this conclusion, you should clearly set out the justifications for doing this and it must be in line with the duty to have due regard and how you reached this decision.	
Stop or amend the proposed change	Our change would have adverse effects on one or more protected groups that are not justified and cannot be mitigated. Our proposed change must be stopped or amended.	
Will this decision be considered at a scheduled meeting? MAB / Cabinet		Meeting title: Cabinet and Council Date: Cabinet: 14 February 2024; Council: 28 February 2024

7. Sign-Off

Officers that must approve this decision	
Equalities Lead	Name: Helen Reeves Date: 05/02/2024 Position: Interim Head of Strategy and Policy
Corporate Director	Name: Jane West Date: 05/02/2024 Position: Corporate Director of Resources and s151 Officer

Equality Analysis

Appendix: Deprivation data

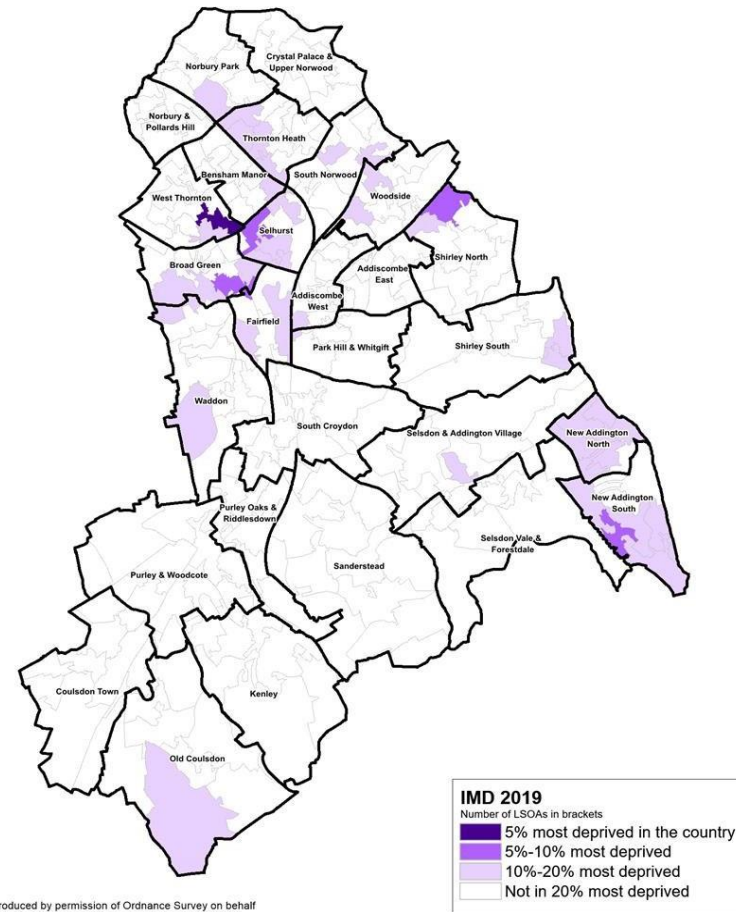
INFOGRAPHIC 1

In Croydon, 1567 people live amongst the 5% most deprived in the country (Dark Blue)

In this area,

50% are male	(Croydon 49%)
27% are 0-15	(Croydon 22%)
30% are White ethnic group	(Croydon 55%)
35% are Black / African / Caribbean / Black British ethnic group	(Croydon 20%)
24% are Asian / Asian British ethnic group	(Croydon 16%)
7% are Mixed / multiple ethnic group	(Croydon 7%)
4% are Other ethnic group	(Croydon 2%)

Indices of Deprivation 2019
Croydon Lower Super Output Areas (LSOAs)



Equality Analysis

Appendix: Croydon Council staff data

Ethnicity							
Directorate	Any other	Asian Group	Black Group	Mixed Group	Undisclosed	White Group	Grand Total
Adult Social	0.36%	1.37%	4.95%	0.74%	2.67%	2.23%	12.31%
Assistant	0.33%	1.88%	3.35%	0.58%	2.82%	3.10%	12.06%
Children	0.61%	3.48%	8.71%	1.85%	5.94%	7.62%	28.21%
Housing	0.10%	1.37%	3.55%	0.69%	2.97%	2.13%	10.81%
Resources	0.13%	1.22%	1.80%	0.46%	1.40%	1.27%	6.27%
Sustainable	0.84%	5.92%	5.76%	1.68%	6.80%	9.34%	30.34%
Grand Total	2.36%	15.23%	28.13%	5.99%	22.59%	25.69%	100.00%

Sex					
Directorate	Female	Male	Undisclosed	Prefer to self-describe	Grand Total
Adult Social	7.39%	2.59%	2.34%	0.00%	12.31%
Assistant	6.25%	3.58%	2.23%	0.00%	12.06%
Children	17.39%	5.74%	5.03%	0.05%	28.21%
Housing	4.72%	3.63%	2.44%	0.03%	10.81%
Resources	2.77%	2.28%	1.19%	0.03%	6.27%
Sustainable	14.24%	9.93%	5.94%	0.23%	30.34%
Grand Total	52.75%	27.75%	19.17%	0.33%	100.00%

Disability				
Directorate	No	Yes	Undisclosed	Grand Total
Adult Social	10.26%	1.09%	0.96%	12.31%
Assistant	9.98%	0.84%	1.24%	12.06%
Children	23.48%	1.90%	2.82%	28.21%
Housing	9.06%	0.58%	1.17%	10.81%
Resources	5.23%	0.46%	0.58%	6.27%
Sustainable	24.75%	2.36%	3.22%	30.34%
Grand Total	82.76%	7.24%	10.00%	100.00%

Equality Analysis

Sexual Orientation							
Directorate	Bi-sexual	Gay man	Hetrosexual /straight	Lesbian/gay woman	Other	Undisclosed	Grand Total
Adult Social	0.20%	0.15%	8.89%	0.00%	0.08%	3.00%	12.31%
Assistant	0.20%	0.10%	8.66%	0.15%	0.05%	2.89%	12.06%
Children	0.71%	0.38%	20.31%	0.33%	0.18%	6.30%	28.21%
Housing	0.20%	0.20%	7.51%	0.03%	0.03%	2.84%	10.81%
Resources	0.10%	0.05%	4.52%	0.03%	0.08%	1.50%	6.27%
Sustainable	0.84%	0.74%	19.98%	0.33%	0.38%	8.07%	30.34%
Grand Total	2.26%	1.62%	69.87%	0.86%	0.79%	24.60%	100.00%

Age Range												
Directorate	20 or	21-25	26-30	31-35	36-40	41-45	46-50	51-55	56-60	61 or older	Undisclosed	Grand Total
Adult Social	0.18%	1.35%	1.35%	1.17%	1.17%	1.27%	1.07%	1.12%	0.69%	0.28%	2.69%	12.31%
Assistant	0.36%	1.85%	1.83%	1.29%	0.84%	1.04%	0.81%	0.74%	0.53%	0.18%	2.59%	12.06%
Children	0.33%	3.94%	4.95%	3.76%	2.77%	2.16%	1.90%	1.52%	0.58%	0.48%	5.81%	28.21%
Housing	0.18%	1.55%	1.83%	1.62%	1.27%	0.71%	0.30%	0.43%	0.20%	0.05%	2.67%	10.81%
Resources	0.08%	1.09%	1.02%	0.53%	0.74%	0.48%	0.33%	0.30%	0.23%	0.13%	1.35%	6.27%
Sustainable	1.14%	4.57%	4.01%	3.35%	2.59%	2.21%	2.13%	1.88%	1.37%	0.58%	6.50%	30.34%
Grand Total	2.26%	14.34%	14.98%	11.73%	9.37%	7.87%	6.55%	5.99%	3.60%	1.70%	21.60%	100.00%

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LONDON BOROUGH OF CROYDON

REPORT:	CABINET		
DATE OF DECISION	14 February 2024		
REPORT TITLE:	2023-24 Period 8 Financial Performance Report		
CORPORATE DIRECTOR	Jane West Corporate Director of Resources (Section 151 Officer)		
LEAD OFFICER:	Allister Bannin, Director of Finance (Deputy S151)		
LEAD MEMBER:	Cllr Jason Cummings, Cabinet Member for Finance		
KEY DECISION?	Yes	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	
CONTAINS EXEMPT INFORMATION?	No	Public Grounds for the exemption: N/A	
WARDS AFFECTED:	All		

1 SUMMARY OF REPORT

1.1 This report provides the Council’s financial performance as at Period 8 (November 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	339.6	(1.3)	(0.4%)
Revenue Forecast (Housing Revenue Account)	-	12.0	12.0	N/A
Capital Forecast (General Fund)	127.1	106.3	(20.7)	(16.3%)
Capital Forecast (Housing Revenue Account)	37.2	39.0	1.8	4.8%

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 underspend by £1.3m at Period 8, after the budgeted utilisation of £63m capitalisation directions requested from DLUHC.
- 2.2** to approve within budget the inter-directorate virement of £2.1m non-pay inflation budget from the Adult Social Care & Health directorate to the Housing directorate on a one-off basis in 2023-24, as set out in paragraph 4.12.
- 2.3** to note the progress in MTFs savings achievement as set out in paragraph 4.103.
- 2.4** to note the work that has commenced on the Council's Transformation Programme as set out from paragraph 4.98.
- 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 £20.7m against the revised capital budget of £127.1m. The 2023-24 General Fund capital budget has been updated to reflect the changes agreed through the Capital Programme and Capital Strategy 2023-29 report at the Cabinet meeting on 6 December 2023.
- 2.7** to note the HRA capital programme 2023-24 forecast overspend of £1.8m against the revised capital budget of £37.2m. The 2023-24 HRA capital budget has been updated to reflect the changes agreed through the Capital Programme and Capital Strategy 2023-29 report at the Cabinet meeting on 6 December 2023.
- 2.8** to note the Council's historic borrowing and subsequent debt burden continues to be critical to the non-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 regard to its level of structural indebtedness 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 cost of servicing the disproportionate level of debt.
- 4.2** The Council's historic legacy borrowing and debt burden continues to be critical to the non-sustainability of the Council's revenue budget.

Cost of Living Considerations

- 4.3** 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 3.9% in the 12 months to November 2023, remaining higher than the Bank of England's target rate of 2% albeit reduced from the peak of 11.1% in October 2022. The inflationary impact goes beyond the Council as the cost of living is affecting all households and businesses.
- 4.4** 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.
- 4.5** 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.
- 4.6** 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 Scheme – 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 the 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

4.7 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

4.8 The General Fund revenue forecast outturn shows an overall underspend of £1.3m, however this is following the budgeted utilisation of the £63m capitalisation directions requested from DLUHC. Although the current overall forecast does not utilise the risk contingency budget, individual service directorates in an overspend position will work to bring their positions within budget as well.

Table showing the revenue forecasts by Directorate

Directorate	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)	Prior Month Forecast Variance (£m)	Change in Forecast Variance (£m)
Adult Social Care and Health	142.9	105.2	141.6	(1.3)	(1.0)	(0.3)
Assistant Chief Executive	43.8	26.5	42.6	(1.2)	(0.9)	(0.3)
Children, Young People and Education	101.4	51.6	105.5	4.1	5.4	(1.3)
Housing	21.8	20.0	21.8	-	-	-
Resources	38.3	124.2	35.4	(2.9)	(2.0)	(0.9)
Sustainable Communities, Regeneration & Economic Recovery	73.9	45.2	73.9	-	-	-
Subtotal Service Directorates	422.1	372.7	420.8	(1.3)	1.5	(2.8)
Corporate Items and Funding	(81.2)	(30.2)	(81.2)	-	(1.5)	1.5
Total Net Expenditure Budget	340.9	342.5	339.6	(1.3)	-	(1.3)

- 4.9** Work will continue through to the end of the year to manage those areas with forecast overspends to ensure the Council remains within budget.
- 4.10** The Council continues to build on the improvements in financial management that were made in the last financial year. However, there is a considerable amount yet to do, which is fully recognised within the organisation.
- 4.11** A financial assurance process and independent challenge of expenditure and income 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.

Realignment of non-pay inflation budget

- 4.12** The Adult Social Care and Health directorate received additional grant funding in September 2023 in regard to the Market Sustainability and Improvement Fund (MSIF). This supports exceptional inflationary pressures on residential and community based services, which allows £2.1m of previously allocated non-pay inflation budget to be transferred on a one-off basis in 2023-24 to the Housing directorate to support current pressures in emergency accommodation. The Executive Mayor in Cabinet is requested to approve the transfer as set out in the table below.

Table showing budget virement between directorates

Budget category	Current Directorate	New Directorate	Net Expenditure Budget (£000's)
Non-pay inflation	Adult Social Care and Health	Housing	2,100

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	124.1	101.1	123.9	(0.2)
Adult Strategic Commissioning, Policy & Improvement	16.9	2.8	15.8	(1.1)
Central ASCH	1.9	1.3	1.9	-
Total ASCH	142.9	105.2	141.6	(1.3)

- 4.13** At period 8 the ASCH directorate has a forecast underspend of £1.3m (0.9%) against a budget of £142.9m which is an improvement of £0.3m from period 7.
- 4.14** 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 underspend of (£0.2m)

- 4.15** 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 staffing underspend is reduced by the need to employ agency social workers and occupational therapists to ensure statutory duties are met and that transformation is delivered.
- 4.16** Localities & LIFE have an underspend of (£1.5m) owing to a net underspending on care of (£0.9m) and staffing (excluding agency) of (£0.7m), partially offset by an overspend on equipment costs of £0.1m.
- 4.17** Working Age Adults and Transitions has an overspend of £3.6m, an improvement of (£0.1m) from period 7. This comprises a reduced overspend on care of £3.7m (owing to clients with increased care needs) which is partly mitigated by an underspend in staffing of (£0.1m). The service is managing demand to reduce pressures coming into the service and this is estimated to have resulted in a positive impact on the forecast of circa £2m. The service is on target to achieve savings of £5.3m and has committed to achieving further savings to offset the budget pressure.
- 4.18** Provider Services has a (£1.3m) forecast underspend on staffing owing to vacancies.
- 4.19** Safeguarding service has a (£0.2m) forecast underspend on staffing owing to vacancies across the service.
- 4.20** Business Compliance and Early Intervention has a (£0.1m) forecast underspend on staffing owing to vacancies.
- 4.21** Mental health services have a (£0.7m) forecast underspend owing to the application of external discharge funding.

Adult Social Care Policy and Improvement – Forecast underspend of (£1.1m)

- 4.22** The Policy and Improvement division is forecasting an underspend of (£1.1m) owing to staffing vacancies and minor contract underspends.

Central ASCH – Forecast breakeven position

- 4.23** This area is forecast to breakeven against the budget for central staffing and non-pay budgets.

4.24 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.

4.25 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	5.2	3.3	4.7	(0.5)
Elections Service	0.4	0.1	0.4	-
Croydon Digital and Resident Access	33.6	20.1	33.1	(0.5)
Chief People Officer	3.9	2.3	3.7	(0.2)
Central ACE	0.7	0.6	0.7	-
Covid Grants	-	0.1	-	-
Total ACE (General Fund)	43.8	26.5	42.6	(1.2)
Public Health Grant Ringfenced Services	-	7.9	-	-

- 4.26 At period 8, the Assistant Chief Executive directorate has a General Fund forecast underspend of £1.2m (2.7%) against a budget of £43.8m.

Policy, Programmes & Performance Division - £0.5m forecast underspend

- 4.27 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

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

Croydon Digital and Resident Access Division - £0.5m forecast underspend

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

- 4.30 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 - £0.2m forecast underspend

- 4.31** Staffing related underspends and lower than expected training expenditure is offsetting the overspend in the payroll service owing to the delay in the restructure of the team.

Central Assistant Chief Executive – breakeven position

- 4.32** There is a breakeven forecast against budget for the Central Assistant Chief Executive.

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

- 4.33** It is currently forecast that Public Health will contribute £3.7m to ring fenced Public Health reserves at the end of 2023-24.

- 4.34** 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. Work is ongoing to review and identify new funding opportunities and reshape delivery opportunities.

Contain Outbreak Management Fund (COMF) Allocations

- 4.35** The Council received £13.1m Contain Outbreak Management Fund (COMF) grant to support the immediate response and subsequent ongoing impact from the Covid-19 pandemic. There was £4.975m of COMF grant available for allocation as at April 2023. The table below shows the agreed allocations for the remaining funding which needs to be spent by the end of September 2024.

Table showing COMF Grant Allocations

Project	Lead Directorate	Allocation (£000's)
Cleaner, Safer, Healthier Town Centre Operations Team	SCRER	500
ASCH System Support Package	ASCH	91
Croydon Creative and Active Programme	SCRER	248
Developing and Increasing Access to ASCH services	ASCH	55
Access to Services for Deaf Users	ASCH	25
Telecare and Careline Digital Switchover	ASCH	270
Vulnerable Adult Support Officers x2	ASCH	118
Adult Social Care Front Door Experienced Social Worker and 2 Early Intervention Case Navigators	ASCH	178
Information Management	ACE	498
London Borough of Culture	SCRER	200
Fairfield Halls Independent Evaluation	SCRER	65
Equalities Team Capacity	ACE	100
VCFS Voluntary Sector Bid Writing Training	ACE	35
Neighbourhood Targeted Intervention Project Team	SCRER	115
Early Years Library Development Programme	SCRER	148
Creative Wellbeing Through Schools	SCRER	120
Private Sector Housing Team - Houses in Multiple Occupation (HMO) Inspection	Housing	161

Project	Lead Directorate	Allocation (£000's)
Private Sector Housing Team - Stock Condition Survey	Housing	268
Emergency Preparedness & Covid-19 Debrief, Review and Business Continuity Digitisation	SCRER	150
Homeless Application Backlog	Housing	264
Data Analyst	Housing	132
Homelessness	Housing	1,234
Total Allocation		4,975

4.36 Risks

Elections

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.

Croydon Digital & Resident Access – Digital Operations

Savings relating to the End User Service transformation (£0.5m) and the workforce review (£0.55m) are likely to slip into the 2024-25 financial year. This has already been reflected in the forecast.

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	76.0	43.1	79.6	3.6
Unaccompanied Asylum-Seeking Children (UASC) and UASC Care Leavers	(0.3)	6.1	0.2	0.5
Asylum Seekers and Homes for Ukraine	-	(6.6)	-	-
Quality, Commissioning and Performance Improvement	7.6	3.4	7.7	0.1
Non-DSG Education Services	17.6	5.3	17.5	(0.1)
Central CYPE	0.5	0.3	0.5	-
Total CYPE (General Fund)	101.4	51.6	105.5	4.1
Dedicated Schools Grant (DSG) High Needs Education Services	82.0	53.8	82.7	0.7
Dedicated Schools Grant (DSG) Early Years Block	31.1	22.8	31.1	-

4.38 At period 8, the CYPE directorate has a General Fund forecast overspend of £4.1m (4.0%) against a budget of £101.4m. This is a favourable movement of £1.3m since period 7.

Children's Social Care Division – forecast overspend of £4.1m (including UASC and UASC Care Leavers)

£3.3m placements overspend owing to six active high-cost placements including residential, semi-independent and secure. Four 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.

£0.1m staffing underspend owing to delays in recruitment.

£0.3m 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.

£0.5m overspend in the 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 £0.1m

4.39 The division is forecasting a staffing overspend of £0.2m from 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. The staffing pressure is being partially offset through a £0.1m forecast underspend in non-pay budgets.

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

4.40 Non-DSG Education services are still forecasting an underspend of £0.1m at Period 8, with staffing vacancies offsetting income pressures in other parts of the service.

4.41 £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 £0.705m

- 4.42** The SEND High Needs forecast at period 8 is an overspend of £0.705m against the budget of £82.059m. This is a £0.027m adverse movement from period 7 due to additional funding for complex cases agreed with some schools.
- 4.43** The overall variance at Period 8 represents £0.020m 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 3 High Needs monitoring reports to the DfE Safety Valve team on 15 November 2023 in line with the deadline.
- 4.44** See below the key areas:
- £2.226m 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.
- (£0.622m) 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 8 High Needs forecast outturn variance of £0.705m leads to an overall DSG deficit projection of £16.089m at the end of 2023-24 compared to the

Safety Valve target of £16.109m prior to the £3.290m Deficit Recovery payment from the DfE as per the Safety Valve agreement. This demonstrates that the Council is still ahead of the DfE target.

Dedicated Schools Grant (DSG) Early Years Block – forecast breakeven position

4.47 The Department for Education (DfE) provides six key funding streams for the Early Years Block. The budget allocation for 2023-24 is £31.088m and a breakeven position is forecast at Period 8. The government recently announced an additional grant (Supplementary funding) of £2.507m for Croydon covering the period from September 2023 to March 2024. The DfE operational guide directs local authorities to “pass-through” 100% of the allocation to the sector and the Council is on target to meet the DfE requirements. Schools Forum was recently provided with updates on the payment to date.

4.48 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).
- 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 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.

4.49 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	21.8	20.0	21.8	-
Housing Estates and Improvement	0.0	0.0	0.0	-
Total Housing	21.8	20.0	21.8	-

- 4.50** At period 8, the Housing directorate has a General Fund forecast breakeven position against the budget of £21.8m. This position is after the transfer of non-pay inflation budget of £2.1m from the Adult Social Care and Health directorate requested in this report.
- 4.51** An allocation of £1.234m has been agreed from the Contain Outbreak Management Fund (COMF) grant, with £1m supporting homelessness costs and £0.234m supporting the clearing of the homelessness casework backlog.
- 4.52** 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. The data available following the changeover of rent account systems to the new NEC IT system is now improving although further improvements to forecasting accuracy can be expected as data quality is addressed, reporting is developed further, and more data analysis is performed.
- 4.53** Current financial modelling of a worst case scenario for emergency and temporary accommodation indicates that the 2023-24 overspend could increase up to circa £4m and this will be monitored closely over the remaining months of the financial year to check whether levels of new temporary accommodation placements continue at the current higher level or return to being in line with longer term historical trends. The pressures experienced by Croydon are also being experienced across London and nationally and therefore central government may provide in-year funding such as through a potential winter pressure top up to the Homelessness Prevention Grant (which has not been announced to date, but was provided in recent years).
- 4.54** 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

- 4.55** 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. 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 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 affordable housing in the private rented sector (PRS) and the increase in evictions detailed above and subsequent short-term arrangements breaking down.

4.56 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.

4.57 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.

Temporary Accommodation

4.58 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

4.59 The implementation of the new NEC IT system experienced a delay in setting up the interfaces between NEC and the Oracle finance system. The income interface is now posting income from the NEC system into the Oracle finance system, however there are reconciliations still being carried out. 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.

4.60 The Housing Directorate continues to be impacted by the difficult housing market within London as private sector landlords are increasing rents or leaving the market, and tenants are struggling with cost of living pressures. There are forecasting difficulties in predicting how much rental costs could increase further and at what pace.

4.61 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.

- 4.62** 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.
- 4.63** 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.
- 4.64** 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.
- 4.65** There is a potential pressure on the housing budget 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. The pressure is being monitored through the ongoing Housing Benefit review project work.

Opportunities

- 4.66** 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, e.g. by targeting households in rent arrears for support.
- 4.67** 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.
- 4.68** The Council is reviewing asylum seeker and refugee grant funding for allocation to related homelessness costs.

- 4.69** There are opportunities from accommodation that is coming on stream for placing homelessness clients, which will provide alternative temporary accommodation and reduce the use of expensive nightly paid accommodation.
- 4.70** 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

Division	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Commercial Investment	19.3	7.5	16.6	(2.7)
Finance (<i>refer note 1</i>)	17.1	109.5	17.1	-
Legal Services and Monitoring Officer	2.7	3.5	2.7	-
Insurance, Anti-Fraud and Risk	0.6	2.1	0.5	(0.1)
Internal Audit Service	0.5	0.4	0.5	-
Pensions and Treasury	0.4	1.0	0.4	-
Central Resources	(2.3)	0.2	(2.4)	(0.1)
Total Resources	38.3	124.2	35.4	(2.9)

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

- 4.71** At period 8, the Resources directorate has a General Fund forecast underspend of £2.9m (7.6%) against a budget of £38.3m.

Commercial Investment Division – £2.7m forecast underspend

- 4.72** The division continues to forecast decreased utilities costs and improved recharging to external bodies. There are also £0.5m 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

- 4.73** 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.

- 4.74** A cross Council working group is 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.
- 4.75** The Finance Division has undergone a restructure of the strategic finance service and has commenced 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 has been requested for 2024-25.

Legal Services and Monitoring Officer Division – breakeven forecast position

- 4.76** There is a £0.1m forecast underspend in the Monitoring Officer service owing to staff vacancies and an underspend against the members allowances budget.
- 4.77** There is a forecast overspend in Legal Services of £0.1m owing to high levels of agency staffing.
- 4.78** 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 - £0.2m forecast underspend

- 4.79** There is a £0.1m forecast underspend in Insurance, Anti-Fraud and Risk owing to staffing savings and increased income from shared services. In addition, there are small underspends across Pensions and Treasury and Central Resources owing to staffing vacancies.

Risks

- 4.80** 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.
- 4.81** There is a risk in the Finance Division in relation to Housing Benefit subsidies including the potential impact of the roll out of universal credit on the collection of overpayments.

SUSTAINABLE COMMUNITIES, REGENERATION & ECONOMIC RECOVERY (SCRER)

Division	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Sustainable Communities	56.3	44.3	56.3	-
Culture and Community Safety	10.3	0.5	9.9	(0.4)
Planning & Sustainable Regeneration	7.3	-	7.7	0.4
Central SCRER	-	0.4	-	-
Total SCRER	73.9	45.2	73.9	-

4.82 At period 8, the SCRER directorate has a General Fund forecast of a breakeven position against a budget of £73.9m. The main potential risk areas relate to income in the areas of parking, parking enforcement, moving traffic offence and planning.

Sustainable Communities Division - forecast breakeven position

4.83 There is a forecast £2.3m pressure for SEND home to school transport due to increased demand and a forecast £0.7m income pressure in New Roads and Street Works Act (NRSWA) coring inspections. The pressures are being offset through a forecast underspend of £1.8m in staffing owing to periods of vacancy and £1.2m forecast underspend in waste services owing to reduced tonnage level of waste.

Culture and Community Safety Division – forecast underspend of £0.4m

4.84 The division is forecasting an underspend of £0.4m. This is owing to underspends from reduced utility costs in contracts (£0.3m), periods of staffing vacancy (£0.3m) and underspends across the libraries service while the service is under redesign (£0.2m). The underspends are partially offset by a one-off pressure in 2023-24 of £0.4m owing to an undeliverable Public Health recharge income budget which will be removed as part of MTFS budget growth in 2024-25.

4.85 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 £0.4m

4.86 The division is forecasting an income under-achievement of £0.8m owing to lower activity levels to date in planning major applications and planning performance agreements. This is being partially offset by a forecast staffing underspend of £0.4m owing to periods of vacancy in the Growth and Regeneration Team and other services.

4.87 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.

4.88 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.
- Within the Violence Reduction Network a further Domestic Homicide Review has been initiated which may add additional costs.

4.89 Opportunities

- The SCRER directorate is actively pursuing several grant applications to further improve the financial position:
 - The Culture and Community Safety division have successfully secured grant funding from Sport England for swimming pool costs.

- Further communications are being held with public health regarding enhancing the borough's community safety offer with direct funding.
 - Development Management has progressed for the Planning Skills Delivery Fund which will assist the service in clearing the backlog of planning applications.
- There are several major schemes that are in development that should generate large fees - however these should not be submitted prematurely as this could result in significant 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)
Economic Demand Pressures	0.9	-	0.9	-
Risk Contingency Budget	5.0	-	5.0	-
Transformation Programme	10.0	-	10.0	-
Other corporate items	(97.1)	(30.2)	(97.1)	-
Total Corporate Items and Funding	(81.2)	(30.2)	(81.2)	-

- 4.90** At period 8, the Corporate directorate has a General Fund forecast breakeven position against a net budget of (£81.2m). The risk contingency budget of £5m is not utilised at period 8 and remains to offset pressures that could be experienced across the Council over the remainder of the year.
- 4.91** 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.
- 4.92** The corporate area funds redundancy, severance and pension strain costs which contribute to achieving General Fund MTFs savings.
- 4.93** There is budget of £0.9m held centrally (of the original £5.5m agreed by full Council) for the potential impact of economic demand pressures on Croydon after the allocation of £1.7m budget in Period 3 (Housing Benefit subsidy pressures), £2.2m budget in Period 6 (emergency accommodation pressures) and £0.7m budget in Period 7 (children social worker caseload pressures).
- 4.94** The corporate area also holds the 2023-24 Transformation budget of £10m, which funds work carried out in directorates and cross-Council to achieve MTFs savings and improve services for local residents and businesses. It is expected that any underspend in 2023-24 will be carried forward in an earmarked reserve to fund projects

which are being delivered over multiple financial years. The Transformation budget reduces to £5m from 2024-25.

- 4.95** There is £1.5m budget held in Corporate for adjustments to correct General Fund recharge budgets relating to the HRA, Public Health, capitalisation of salaries and corporate support (overhead) recharges, and salary and income budget corrections. The budget agreed by full Council was £7.3m and £5.8m of this was allocated out to service directorates in Period 7. The remaining budget is likely to be needed to align corporate support (SERCOP) recharge budgets, following further work to calculate up to date recharges to non-General Fund areas.
- 4.96** 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).
- 4.97** There is borrowing cost uncertainty from interest rates and the timing of capital receipts from asset disposals.

Transformation Programme

- 4.98** The Transformation Programme has £14m of resources allocated to it, consisting of £10m base revenue budget and £4m earmarked reserve.
- 4.99** In total there is currently £10.9m of the Transformation Programme budget allocated with £3.1m 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)	Actuals to Date (£m)	Forecast Expenditure (£m)	Forecast Variance (£m)
Transformation Revenue Budget	10.000			
Transformation Reserve Funding	4.000			
Total Transformation Funding	14.000			
Approach to Strategic Planning and Commissioning	0.290	-	-	(0.290)
Parking Policy Review	0.200	-	0.200	-
Community Hubs Programme	0.250	0.001	0.250	-
HR Transformation	0.093	0.108	0.093	-
Digital & Resident Access Review/Digital Workforce	0.080	0.001	0.080	-
SEND Review	0.240	-	0.240	-
Passenger/SEND Transport Transformation	0.100	-	0.100	-
Family Justice Service Review	-	-	-	-
S117 Project	0.178	0.062	0.178	-
Joint Funding Arrangements	0.110	-	-	(0.110)
Sustaining Demand at the Front Door	0.190	0.125	0.210	0.020

Project	2023-24 Draft Budget Allocation (£m)	Actuals to Date (£m)	Forecast Expenditure (£m)	Forecast Variance (£m)
Corporate Parenting Transformation	0.743	0.179	0.513	(0.230)
Dynamic Purchasing System	0.142	-	0.142	-
Calleydown Transformation	0.134	-	-	(0.134)
Income & Debt Review	0.050	0.150	0.050	-
Outcomes Based Domiciliary Care Model	-	-	-	-
Transition Commissioning Care Model	-	-	-	-
Croydon Campus	0.250	0.066	0.250	-
Customer Access Review	0.200	0.117	0.200	-
Building Control Transformation	0.696	0.043	0.696	-
Planning & CIL Transformation	0.450	0.017	0.450	-
CALAT	0.050	0.029	0.050	-
Housing Needs Restructure	0.260	0.082	0.260	-
Temporary Accommodation Case Review	0.491	-	0.491	-
Housing Occupancy Checks	0.291	-	0.291	-
Rent Accounts and Data Cleanse	0.026	0.040	0.026	-
Housing Association Recharges	0.059	-	0.059	-
Supported Housing Review	0.080	-	0.080	-
Adult Social Care Transformation	1.100	0.424	0.806	(0.294)
Review of Social Care Placements	0.461	0.173	0.461	-
Reablement & Hospital Discharge	-	-	-	-
Strategic Operating Model Design Partner for Adult Social Care and Health	1.134	-	0.200	(0.934)
Housing Benefit Subsidy SEA & EA/TA	-	-	-	-
PFI Contract Manager	-	-	-	-
VCS Review	-	-	-	-
Asset Rationalisation	0.124	-	0.124	-
Business Intelligence Review	0.026	-	0.026	-
Commercial & Income Opportunities	-	-	-	-
Community Equipment Service	0.234	0.148	0.234	-
Croydon Museum	0.170	-	0.170	-
Oracle Improvement Programme	0.915	0.065	0.915	-
Transformation PMO	1.100	0.731	1.100	-
Total Revenue Budget and Reserves Allocated to Date	10.917	2.561	8.945	(1.972)
Unallocated To Date	3.083			

- 4.100** 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.
- 4.101** The Transformation Board has agreed additional project allocations totalling £4.482m through to November 2023. The allocations are set out in the table below.

Project Allocations	£m
Business Intelligence Review	0.026
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 for ASCH	1.134
HR Transformation	0.015
Planning & Building Control projects – project delivery support	0.396
Corporate Parenting Transformation (New and subsumes Fostering Transformation Project)	0.650
Community Equipment Service	0.234
Museum Transformation	0.170
Oracle Cloud Improvement (New)	0.915
Asset Rationalisation	0.124
Reablement & Hospital Discharge - transfer to Strategic operating model design partner for ASCH	-0.060
Family Justice Service Review	-0.100
Dynamic Purchasing System	0.050
Housing Needs Restructure	0.200
Temporary Accommodation Case Review	0.200
Outcomes Based Domiciliary Care Model	-0.082
Transition Commissioning Care Model	-0.110
Total of Allocations	4.482

4.102 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

4.103 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

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
Adult Social Care & Health	12,243	-	12,243	13,190	-	(947)
Assistant Chief Executive	2,924	-	2,924	1,521	1,403	-
Children, Young People & Education	6,920	490	7,410	5,148	-	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	-
Total	33,098	2,980	36,078	31,639	3,227	1,212

Reserves

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

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

4.105 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

- 4.106** 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.
- 4.107** 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.
- 4.108** 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.
- 4.109** 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)

- 4.110** At period 8, the Housing Revenue Account (HRA) forecast remains at a revenue 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 take account of ongoing pressures and priorities.
- 4.111** At Period 5 it was set out how the legacy of repairs, disrepair works and the commissioned works on damp and mould accounts for £8.6m of the pressure against the existing budget. This pressure is a direct result of the significant under-investment over decades in the housing stock which has resulted in the backlogs the teams are now tackling. The implementation of the three new repairs contracts and the commitment to ensuring the Council is meeting its requirements as a landlord are driving this ongoing pressure. Where underspends in other areas are insufficient to cover the pressures outlined above, it will require a draw down from the HRA reserves into the revenue budgets.

- 4.112** The 2024-25 budget will require significant work to ensure that it is capturing and managing ongoing pressure areas within the repairs service. 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 term.
- 4.113** The remaining £3.4m pressure is attributed to disrepair and reflects the volume of historic legacy disrepair cases being cleared and the legal costs and settlements that have been the outcome.

Repairs

- 4.114** The Period 8 position of £12.0m overspend is made up of £8.6m responsive repairs costs pressure and £3.4m on disrepair costs, legal fees and settlements.
- 4.115** The overspend on responsive repairs is a result of the significant increase in repair requests received from tenants as a consequence of the historical under-investment in the stock including historic legacy issues identified since the implementation of the new contracts in August 2023.
- 4.116** In addition, there has been significant work done to tackle reports of damp and mould, treating the appearances of spores and carrying out works to address the issues.
- 4.117** The Social Housing (Regulation) Act 2023 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.
- 4.118** Tackling of legacy voids has had a significant financial impact due to the state of disrepair in these properties and the subsequent lack of asset renewal. The team expects to have cleared the backlog of legacy voids within this financial year and the associated cost pressures have been forecasted to reflect that commitment. Financial controls for all voids over £6,500 are in place and there is ongoing management of the work in progress (WIP) and the average weekly voids of 12 voids per week.

- 4.119** Legal disrepair volumes continue to be a challenge operationally and financially. Work is ongoing to tackle the circa 550 disrepair cases in our backlog. The service has proposed a plan to clear this backlog within 18 months and the details are set out in the separate Repairs Contract Update paper presented to Cabinet today. This financial year works for circa 292 claims to completion have been progressed, however, there are now on average 44 new claims being received per month, which is an increase from the previously reported 30 per month.
- 4.120** The service has introduced controls to manage, monitor and provide assurance on ongoing responsive repairs costs:
- The NEC system allows management of the budget per individual line of activity with a budget set on NEC that cannot be exceeded and no payments can be made without any increase to the budget prior to any new orders being raised. Manager approval is required to increase a budget.
 - A Review Panel has been established since September. Any quotes for works over a value of £5,000 must be presented to the panel and approval sought prior to the works order being raised.
 - A review and approval from the Housing Directorate Management Team (DMT) will be sought for works on an individual property in excess of £40,000 to allow consideration of value for money and to ensure that there is a link being made to regeneration projects and any other cross-Council projects.

Tenancy and Income

- 4.121** A breakeven forecast position at period 8 as work continues with the NEC implementation team to validate rental income and voids.

Staffing and other

- 4.122** A breakeven forecast position at period 8 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)	(58.2)	(82.1)	-
Service Charge Income	(4.6)	(3.1)	(4.6)	-
Concorde, Sycamore & Windsor (rental income for Temporary Accommodation provision)	(3.4)	(1.7)	(3.4)	-
Other Income	(6.0)	(2.1)	(6.0)	-
Subtotal Income	(96.1)	(65.1)	(96.1)	-
Housing Capital Charges	40.9	-	40.9	-
Responsive Repairs & Safety	20.4	26.6	32.4	12.0
Centralised Directorate expenditure	11.3	1.1	11.3	-
Tenancy & Resident Engagement	10.3	3.8	10.3	-
Tenant Support Services	6.7	3.5	6.7	-
Concorde, Sycamore & Windsor expenditure	3.4	2.1	3.4	-
Asset Planning	1.6	1.1	1.6	-
Capital Delivery (Homes & Schools)	1.5	0.9	1.5	-
Subtotal Expenditure	96.1	39.1	108.1	12.0
Total HRA Net Expenditure	-	(26)*	12.0	12.0

* Note that no actuals for Housing Capital Charges have been posted as these journals are carried out at year end points.

4.123 The main risks within the Housing Revenue Account are:

- NEC system functionality delays:
 - Although the system went live in June 2023, the system is yet to be used to its full capacity including full reporting functionality. The repairs and income forecasting may yet be impacted once the full integration and functionality is available.
- Repairs and maintenance:
 - pressures from the exit of the Axis repairs contract that ended 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 voids including 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

- 4.124** 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.
- 4.125** 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.
- 4.126** 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.
- 4.127** 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.
- 4.128** 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.

- 4.129** Dialogue with the Department for Levelling Up, Housing and Communities (DLUHC) continues, and the Council is seeking further financial support from Government in regard to its level of historic legacy structural indebtedness 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").
- 4.130** Therefore, debt write-off treatment 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

- 4.131** At period 8, the General Fund capital programme has a forecast underspend of £20.7m (16.3%) against the revised budget of £127.1m. The 2023-24 General Fund capital budget has been updated to reflect the changes agreed through the Capital Programme and Capital Strategy 2023-29 report at the Cabinet meeting on 6 December 2023. This has included re-profiling of budgets to future years and is the main reason for the decrease from the General Fund capital budget of £144.7m at Period 7.

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

General Fund 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)
Bereavement Services	127	6	127	-
My Resources Interface Enhancement	169	58	169	-
ICT	-	4	-	-
Network Refresh	152	11	152	-
Tech Refresh	292	657	285	(7)
Geographical Information Systems	312	-	312	-
Laptop Refresh	212	-	1,030	818
Cloud and DR	167	26	174	7
People ICT	-	3	-	-
Synergy Education System	858	16	746	(112)
NEC Housing System	2,725	15	2,280	(445)
Uniform ICT Upgrade	56	-	56	-
Subtotal Assistant Chief Executive	5,070	796	5,331	261
Children Home DFE	329	-	329	-

General Fund 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)
Subtotal CYPE	329	-	329	-
Disabled Facilities Grant	3000	1,280	3,000	-
Empty Homes Grants	400	39	200	(200)
Subtotal Housing	3,400	1,319	3,200	(200)
Asset Strategy - Stubbs Mead	500	-	100	(400)
Asset Strategy Programme	240	-	40	(200)
Clocktower Chillers	15	-	10	(5)
Corporate Property Maintenance Programme	2,780	1,256	2,666	(114)
Fairfield Halls - Council	625	3	100	(525)
Former New Addington Leisure Centre	600	-	300	(300)
Fieldway Cluster (Timebridge Community Centre)	248	-	148	(100)
Contingency	1,000	-	1,000	-
Education - Fire Safety	450	4	450	-
Education - Fixed Term Expansions	225	180	225	-
Education - Major Maintenance	3,321	3,627	3,865	544
Education - Miscellaneous	100	142	100	-
Education - Permanent Expansion	297	1	297	-
Education - SEN	1,600	606	1,309	(291)
Subtotal Resources	12,001	5,819	10,610	(1,391)
Growth Zone	15,341	316	3,000	(12,341)
Grounds Maintenance Insourced Equipment	1,200	602	1,200	-
Highways	8,260	4,399	8,260	-
Highways - flood water management	404	388	404	-
Highways - bridges and highways structures	1,641	1,292	1,641	-
Highways - Tree works	50	6	50	-
Local Authority Tree Fund	83	136	83	-
Trees Sponsorship	42	10	42	-
Tennis Court Upgrade	75	-	75	-
Leisure centres equipment Contractual Agreement	-	(410)	-	-
Leisure Equipment Upgrade	148	-	148	-
Libraries Investment - General	224	1	224	-
Parking	1,843	884	1,843	-
Cashless Pay & Display	1,463	-	485	(978)
Play Equipment	300	242	242	(58)
Safety - digital upgrade of CCTV	1,540	(11)	1,540	-
Highway Road Markings/Signs (Refresh)	137	33	137	-
South Norwood Good Growth	773	11	168	(605)
Kenley Good Growth	304	(147)	306	2
Sustainability Programme	300	-	300	-
LIP	7,427	691	1,922	(5,505)

General Fund 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)
Cycle Parking	106	-	135	29
Electric Vehicle Charging Point (EVCP)	3	-	43	40
Park Asset Management	700	-	700	-
Waste and Recycling Investment	602	-	602	-
Ashburton Park Heritage Fund	305	-	305	-
Subtotal SCRER	43,271	8443	23,855	(19,416)
Capitalisation Direction	63,000	-	63,000	-
Subtotal Corporate Items and Funding	63,000	-	63,000	-
TOTAL GENERAL FUND CAPITAL	127,071	16,377	106,325	(20,746)

Table showing General Fund Capital Programme Financing

General Fund Capital Financing	2023-24 Revised Budget	2023-24 Forecast	2023-24 Forecast Variance
	(£000's)	(£000's)	(£000's)
Community Infrastructure Levy (CIL)	7,473	7,182	(291)
CIL Local Meaningful Proportion (LMP)	552	552	-
Section 106	982	371	(611)
Grants & Other Contributions	17,882	13,361	(4,521)
Growth Zone	15,341	3000	(12,341)
HRA Contributions	1,772	1,459	(313)
Capital Receipts	83,070	80,400	(2,670)
Borrowing	-	-	-
Total General Fund Financing	127,071	106,325	(20,746)

4.132 The extra forecast cost of cycle parking and electric vehicle charging points are expected to be funded through the application of Section 106 funding.

HRA Capital Programme

4.133 At period 8, the HRA capital programme has a forecast overspend of £1.8m (4.8%) against the revised budget of £37.2m. The 2023-24 HRA capital budget has been updated to reflect the changes agreed through the Capital Programme and Capital Strategy 2023-29 report at the Cabinet meeting on 6 December 2023. The HRA has a reserve of circa £50m as at the end of 2022-23 and this reserve will 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.

There are pressures relating to damp and mould related repairs and historic legacy legal disrepair and void cases where significant updating to properties is occurring.

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	35,390	7,164	37,180	1,790
NEC Housing System	1,772	-	1,772	-
Total HRA Capital	37,162	7,164	38,952	1,790

Table showing 2023-24 HRA Capital Programme Financing

HRA Capital Financing	2023-24 Revised Budget	2023-24 Forecast	2023-24 Forecast Variance
	(£000's)	(£000's)	(£000's)
Major Repairs Reserve (MRR)	15,457	15,457	-
Revenue	13,900	13,900	-
Other Reserves	5,687	7,477	1,790
Right To Buy (RTB) Receipts	2,118	2,118	-
Total HRA Capital Financing	37,162	38,952	1,790

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 non-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 regard to its level of structural indebtedness 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, 15/01/2024.

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, 5/1/2024.

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 characterises 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, 16/01/2024.

9. APPENDICES

9.1 None.

10. BACKGROUND DOCUMENTS

10.1 None.

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Agenda Item 9

LONDON BOROUGH OF CROYDON

REPORT:	CABINET	
DATE OF DECISION:	14th February 2024	
REPORT TITLE:	Repairs Contracts Update	
CORPORATE DIRECTOR:	Susmita Sen, Corporate Director for Housing	
LEAD OFFICERS:	<p>Sue Hanlon, interim Director of Housing Assets and Repairs Sue.hanlon@croydon.gov.uk</p> <p>Jerry Austin, Head of Repairs and Maintenance Jerry.Austin@croydon.gov.uk</p> <p>Duncan Mutembani, Strategic Contract Manager Duncan.Mutembani@croydon.gov.uk</p>	
LEAD MEMBER:	Councillor Lynne Hale, Cabinet Member for Homes and Deputy Mayor	
KEY DECISION?	No	REASON: The purpose of this report is to provide update on the progress of the repairs' contracts and budgets
CONTAINS EXEMPT INFORMATION?	No	Public
WARDS AFFECTED:	All	

1. SUMMARY OF REPORT

1.1 This report presents an overview of the mobilisation of the Housing Responsive Repairs contracts with Mears, Wates, and K&T Heating and sets out how the service, including our contractors are currently performing. The report also highlights the delivery of Social Value initiatives.

Several years of significant under-investment in properties, including insufficient growth in the responsive repair budgets, has resulted in an increase in Legal Disrepair claims, an increase in non-decent properties, and there has been a significant increase in the volume of repairs being reported since the new contracts mobilised on 1 August 2023. This spike in demand is placing the in-year budget (2023/4) and staffing resource under intense pressure, and to recover the situation, additional budget provisions will be required this year and in future years. On the positive side, the repairs team have significantly reduced the number of legacy voids, resolved a large number of overdue complaints and member enquiries.

1.2 RECOMMENDATION

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

1.2.1 To note the progress following mobilisation of the new housing repair contracts on 1 August 2023.

1.2.2 To agree the actions proposed as outlined in this report and to report back to Members with an update within six months.

2. REASONS FOR RECOMMENDATIONS

2.1 The Executive Mayor in Cabinet endorsed the recommended procurement strategy for delivery of the Housing Responsive Repair Service and Heating in June 2022 (Reference CCB1750/22-23).

2.2 In accordance with the Procurement strategy, the Council carried out a procurement process compliant with the Public Contract Regulations 2015 (PCR) using the Competitive Procedure with Negotiation (CPN) in relation to Housing Responsive Repairs and Voids. Three main contracts were awarded to Wates Ltd, Mears Group and K&T Heating. These contracts commenced service delivery on 1 August 2023.

2.3 The main purpose of this report is to provide an update on the progress of the aforementioned contracts since 1 August 2023 to the present.

3. BACKGROUND AND DETAILS

3.1 On 6 March 2023 the Executive Mayor in Cabinet approved the contract award report to replace the Council's former Housing Responsive Repairs Contract with Axis Europe. Axis had served notice to end the contract with the Council. To mitigate the risk of appointing a single provider, and to attract local and Small and Medium-sized enterprise (SME) contractors, the procurement strategy report (22 June 2022) recommended splitting the contract into four parts as follows:

- Contact Centre – to be insourced
- Area 1 Responsive repairs and voids excluding heating
- Area 2 Responsive repairs and voids excluding heating
- Heating related services

3.2 A subsequent Cabinet meeting was held on 24 May 2023, in which the contract award report was approved for the appointment of K&T Heating. This was due to the late withdrawal of PH Jones, who had initially been awarded the heating related services contract.

3.3 The three contracts commenced on 1 August 2023, and the Contact Centre was insourced to the London Borough of Croydon (LBC). Each initial contract term is six years and

eight months, with an option to extend to a maximum contract duration of 10 years and eight months.

The contracts have been split across specified lots as follows:

- Wates Property Services Ltd (Lot 1) - responsive repairs and voids excluding heating, with optional planned programmed works. This covers approximately 70% of the Council's housing stock (tenanted/leasehold dwellings and shared ownership dwellings).

The Out of Hours (OOH) contact centre is also managed by Wates, and covers emergency repair calls across Lots 1 & 2. The service operates between 6pm – 8am week days, and 24 hours over the weekend and bank holidays. Wates commenced this service from 1 August 2023.

- Mears Group Services (Lot 2) - responsive repairs and voids excluding heating, with optional planned programmed works. This covers approximately 30% of the Council's housing stock (tenanted/leasehold and shared ownership dwellings).
- K&T Heating (Lot 3) - heating related services covering 100% of the Council's housing stock.

LBC In-sourced Contact Centre – The repairs contact centre operates Monday to Friday (8am – 6pm) and is responsible for receiving calls and e-mail enquiries, logging repairs and scheduling appointments for all contractors.

4. CONTRACT MANAGEMENT AND PERFORMANCE MONITORING

4.1 The contracts commenced on 1 August 2023. LBC's partnering advisors, Echelon, have been engaged in managing the demobilisation of the former contract with Axis and ensuring all legacy repairs outstanding on 31 July 2023 transferred to the new contractors. A total of 3,135 works orders were transferred to Mears, Wates and K&T Heating on 1 August 2023 and these repairs have all been completed. Echelon has also supported the final account closure which is expected to be concluded imminently.

4.2 A Strategic Client team has been put in place following the 2023 re-evaluation of Contract Management. The team has implemented the revised strategic contract management function in the Housing department, including managing and monitoring Social Value initiatives. A Contract Management plan is in place, and this outlines how the contracts will operate and be managed. The plan supports robust contract management with weekly operational meetings taking place, and monthly strategic core group meetings with each contractor. Processes are aligned with the Term Partnering Contract (TPC) including provisions for an Emergency Action Plan and escalation hierarchy to the Strategic Core Group meeting if the service is deemed to be failing.

4.3 The contract management team consists of surveyors and workstream managers across repairs, actively monitoring the contractors in respect of quality of work and service delivery, which includes analysing Key Performance Indicators (KPIs). As it is 6 months since the contracts mobilised, we are working with Echelon to undertake a KPI data validation exercise to ensure the KPIs reported to date are accurate and reflect the requirements of the

contractual KPI handbook. We expect this validation exercise to be completed during February and for the KPI dashboards to be published from March 2024.

4.4 Echelon have also delivered training to ensure the Council's Corporate Contract Management approach and document suite is fully utilised by the repairs team. Additionally, during 2024 accredited contract management training will be arranged to further strengthen contract management.

4.5 Residents are an essential part of monitoring the performance of the new contracts. During the procurement of the contracts, residents were heavily involved in developing the KPIs and establishing expectations for overall supplier performance management. Resident satisfaction data is being progressed via independent telephone surveys run by our survey provider, Acuity, and this is reviewed at the core group meetings. The Contract Management team are working collaboratively with the Resident Involvement team to ensure residents continue to be engaged through a Repairs Contracts Monitoring Group (RCMG). This group is currently being formed, and the Chair of this group will also attend future Strategic Core group meetings.

5. CONTACT CENTRE UPDATE

5.1 Background: The repairs contact centre was insourced on 1 August 2023. This enables residents to contact the Council directly to report repairs. Previously the contact centre was managed by Axis, and very little call volume data was shared with LBC during the term of their contract. Additionally, during the demobilisation period, the TUPE information detailing the staff who would transfer to LBC was received late.

5.2 As a result of the lack of call data, setting the contact centre up and determining the required resourcing levels has been very challenging. As the TUPE information was provided very late in the demobilisation period, temporary staff were recruited in June 2023 to deliver the service, and whilst these staff received training during July, call volumes from the commencement of the new contracts have been significantly higher than expected (and higher than available benchmark information from similar service providers) which is placing the service under intense pressure. This has led to higher levels of staff turnover and sickness over the last 3 months. Of the 23 FTE posts within the contact centre, 18 posts are currently filled by temporary staff.

5.3 In respect of the current service, the call wait time, call handling time and number of abandoned calls are too high. Repeat callers chasing progress on existing job orders is also a contributing factor, leading to an additional c2,000 calls per month. The contact centre manager is working closely with the contractors to ensure regular updates are being provided to residents in respect of open jobs and follow-on works. The tables below detail performance since the service commenced:

Reporting month	Calls Received	Calls answered
AUG	12709	10600
SEPT	11604	9900
OCT	14474	12178
NOV	15903	10801
DEC	9794	7934

Contact Centre KPI Data						
Key Performance Indicator	Bigger or Smaller is better	Frequency	Target	Croydon position (Dec 2023)	Croydon position (Nov 2023)	Croydon position (Oct 2023)
Average contact centre wait time (Housing call centre only)	Smaller is better	Monthly	<i>Working towards 20 secs*</i>	6m 02s	9m23s	3m49s
Average contact centre call handling time	Smaller is better	Monthly	5mins 30 secs	6m 48s	8m 09s	5m 20s
% of residents that ended the call before we spoke to them (housing call centre only)	Smaller is better	Monthly	<i>Working towards 5%*</i>	19%	31%	16%

* Stepped targets have been introduced so that we work towards achieving the benchmark targets by 1 October 2024

5.4 Improvement Plan: An improvement plan has been developed and key actions are detailed below. The improvement plan is led by the Director, with support from the Head of Repairs and Contact Centre Manager:

- Recruitment – A recruitment campaign commenced early January and we received over 200 applications for advisor and team leader roles. Shortlisting has been completed and interviews are scheduled for late January/early February. We will also recruit more part-time advisors so that we have flexibility within our resource plan to meet peak call demand periods, and cover lunchtime and training periods. We expect successful candidates to start joining us from late February and taking calls from 1 April 2024.
- Training and induction – we have reviewed the training plan utilised in June 2023 and also considered feedback we've received from our contractors about diagnostic information which support them to achieve first time fix. We have revised the training materials and will adapt our approach to ensure our new colleagues receive a thorough induction and training on our culture, the vision for our service (easy to do business with) and IT systems, so that the service is efficient and professional. We will focus on accurate repair diagnosis, along with capturing up to date customer contact information. Our new advisors will also

focus on offering an appointment at the first point of contact as we know this is an area of current tenant dissatisfaction.

- IT – We have requested the erection of wallboards so that the contact centre team and wider repair colleagues have real-time visibility of the call-handling service. The wallboards will support developing a performance culture. We are also introducing IT to support advisors, who in the main are non-technical staff to accurately diagnose repairs (Repair Finder) which should support out contactors to achieve higher levels of first-time fix.
- KPIs – We have introduced real-time monitoring of our call handling service including call wait time, call handling time, abandoned call levels and failure demand (the percentage of calls where tenants are chasing for updates); Call quality monitoring has been enabled allowing our Team leaders to focus on ensuring our advisors follow agreed processes, raise repairs which are the landlord's responsibility (in line with our service offer) and offer advice/sign-post tenants where repairs are the tenants responsibility, update systems accurately and ensure the service is efficient, professional and caring. The contact centre staff are supported by a technical team, including our on-duty surveyor and contractor staff to support with more complex cases. Due to the increased call volume and current service level, we have introduced stepped targets for call wait time and percentage of calls abandoned to support the team to achieve 'benchmark' targets for these areas by 1 October 2024.

6. REPAIRS TECHNICAL TEAM

6.1 A new repairs technical team is now in place. Training has been undertaken on the full scope of the new contracts including the commercial model.

6.2 The Post Inspection process has been agreed, and since the commencement of new contracts, Croydon officers undertake post inspections on all works over £500.00 and all voids. They also target communal and in-property repairs to ensure that works are undertaken to the desired standard and quality. Contractors provide before, during and after photographs of works and these are added to job notes and are available to Croydon staff to support the post inspection process.

6.3 The team have established a surveyor duty rota to provide an "in office" presence for contractor enquiries, contact centre enquiries and rapid response to variation order requests. Redesignation of surveyor patch areas has been undertaken and our 10 surveyors have been allocated a patch and each contractor is aware of the surveyors operating in their areas.

6.4 The estate inspection programme has been shared with residents and the programme is monitored for attendance. For the period August to December 2023, we attended 100% of estate inspections on time (32).

7. COMPLAINTS

8.1 Historically Axis managed complaints through their own internal process and information/data was not shared as part of the demobilisation. The lack of complaints data has greatly impacted on progression of complaint resolutions both for Croydon Council and the new contractors.

8.2 As part of the mobilisation, a dedicated complaints team was put in place and a complaints process was agreed with the new contractors. On the 31 July 2023 (demobilisation date) there were 197 stage 1 complaints. Our new contractors were quick to assist with the outstanding legacy complaints which supported speedy resolution of 160 cases within the first 3 months. Legacy complaints (37) are being investigated and we anticipate resolution by 31 January 2024.

The table below details complaints raised for the new contractors since 1 August 2023. The figures are relatively low to date, as the majority of complaints raised up to 31 December 2023 were linked to legacy work from the previous contractor.

Contractor	Stage 1 complaints allocated to contractor	Stage 2 complaints allocated to contractor	Compliments
Wates	8	0	1
Mears	4	0	0
K&T Heating	6	0	1

9. OOH Contact Centre – Wates

9.1 Wates provide the emergency out of hours call handling service. This operates from 6pm until 8am weekdays, and weekends/bank holidays. Again, no call volume information was provided by Axis in relation to their service. Wates have seen higher than expected call volumes, however, many of the calls received do not relate to emergency repairs. We will review the information on the LBC website to ensure it clearly details what the service covers, and support this with articles in Open House newsletters and communication to members, tenants, and resident groups.

10.0 VOIDS

10.1 Since 2022, Croydon had a WIP (Work in Progress) in excess of 350 empty properties (voids). Since then, work to reduce the historical backlog of voids has been undertaken and on 31 December 2023 we had 60 voids.

10.2 In addition to the historical voids, we have seen the number of voids each week increase this financial year from c10 voids per week to an average of 15 new voids each week. The main drivers for the increase in voids have been higher levels of abandonment; death of tenant (we have a significant number of older tenants); and tenants moving out into the private rented sector or to housing association properties. Additionally, we are seeing c20% of voids requiring significant investment to bring them up to meet the new lettable standard resulting in the average void cost increasing to c£7,000 (from a previous average of c£3,000) which has placed our responsive repairs budget under intense pressure. The additional volume of voids has also resulted in Mears and Wates recruiting additional operatives to complete void works. By 31 December 2023, we had relet over 650 voids, against a budget that assumes 700 voids per annum.

10.3 A void tracker is used to obtain estimate return dates. For the first 3 months, void turnaround was significantly below the KPI target at 18 days (target 12 days). As Mears and Wates have employed additional resource, including sub-contractors to support them to achieve the KPI, void turnaround has now reduced to c14 days.

10.4 LBC are responsible for the specification of void works and approving any subsequent variation requests. The new lettable standard has been shared with Wates and Mears and we are working collaboratively to ensure voids are turned around as quickly as possible to minimise rent loss. Additionally, all voids are post inspected on completion by LBC surveyors.

11. DISREPAIR

11.1 There is an historic backlog of disrepair works awaiting completion which has been building since 2019. Legal disrepair cases issued to enforce completion of these disrepair works have doubled from 105 cases in 2020 to 246 in 2022, to 414 in 2023. For the first month of 2024, 68 new legal disrepair claims have been received suggesting another increase this year. On average the legal team receive 7 new letters of claim per week and are currently managing over 700 live litigation claims brought by residents.

11.2 There has also been a rise in the number of legal cases where the Council is now in breach of a legal settlement agreement reached with the resident's solicitors for completion of works.

11.3 To ensure these cases are resolved as soon as possible, Wates and Mears have recruited additional operatives, and have mobilised supply chain partners to support us to close as many cases as possible by 31 March 2024. A detailed 12-month recovery plan is in place to resolve the backlog of cases by 31 March 2025, sooner if possible, and ensure new cases logged are progressed, works completed and cases closed within 6 months.

12. DAMP AND MOULD

12.1 Following the tragic death of Awaab Ishak and in response to regulatory requirements, a new damp and mould team was created in January 2023 to manage the significant increase in reports of damp and mould. On average we receive 25 cases each week. Our process involves undertaking a visit and arranging an initial mould wash and reviewing heating and ventilation of the property (Stage 1). All stage 1 visits are followed up with a further visit within three months, to ensure there is no reoccurrence of the damp and mould. Some cases progress to Stage 2, where additional measures often including changes to the building may need to occur. Wates and Mears support LBC with the Damp and Mould works, and both contractors have agreed to recruit additional resources to support damp and mould works. This will result in additional preliminary costs from the contractors where additional management and administration resource is required.

12.2 The table below shows the progress of damp and mould related works between 1 August 2023 – 31 December 2023. Both contractors have agreed to clear the backlog of stage 1 cases by 31 March 2024. Stage 2 cases require more complex works, and these are managed on a case-by-case basis. Additionally, the Government recently announced an 8-week consultation in relation to completion times for damp and mould works. We will be responding to the consultation, whilst also preparing the service to meet the target times

proposed, as we expect them to become legislative requirements potentially within the next 6 months.

Contractor	Stage 1 raised	Stage 1 complete	Stage 1 WIP
Wates	459	364	95
Mears	240	148	92
Contractor	Stage 2 raised	Stage 2 complete	Stage 2 WIP
Wates	218	89	129
Mears	26	9	17

13. HEATING

13.1 The K&T Heating contract was mobilised with a shorter lead-in period due to the late withdrawal of PH Jones, the previously appointed supplier. The Council worked collaboratively with K&T to prepare the mobilisation which was impacted by several challenges:

- Lack of customer contact data to arrange appointments for annual gas service.
- A significant number of Landlord Gas Safety checks (LGSRs) due in first 3 months of the new heating contract
- Difficulties recruiting additional engineers to support the spike in the LGSR programme.

13.2 Despite these challenges, on 31 December 2023 the number of overdue LGSRs had reduced to 465 (334 as at 31 January 2024). Although this is a slightly slower rate of recovery than expected, K&T have recently recruited additional resource to support the recovery plan to achieve 100% compliance and they are also offering evening and Saturday appointments.

13.3 Looking ahead, the number of LGSRs due prior to 31 March 2024 reduces significantly (72 in January, 74 in February and 152 March). With continued focus, we expect to achieve compliance of c99.7% or higher by 31 March 2024. K&T are undertaking 'smoothing' of the annual gas safety programme so that we undertake checks between April and September and reduce the number of checks over the winter period, when tenants are using their heating system, and when the repair demand increases.

14. ALTERNATIVE OPTIONS CONSIDERED

14.1 No alternatives have been considered.

15. CONSULTATION

15.1 There has been consultation as part of the contract management process with the following:

- Residents
- Contractors
- Members
- Staff within the Housing Team

16. CONTRIBUTION TO COUNCIL PRIORITIES

16.1 A key Council priority is the safety and welfare of all its residents in a way that delivers value for money. The management and performance of these strategic contracts is key to ensure that the Council fulfils its duty of care towards residents and enable it to maintain its responsibilities and fulfil its obligations as a landlord. The nature of contract management processes and the commercial positions taken by the Council help ensure the contracts will deliver value for money.

16.2 This is in accordance with the following Mayor's priorities which are detailed in the Corporate Plan and highlight which outcomes the report is related to: [Mayor's Business Plan 2022 - 2026 \(croydon.gov.uk\)](https://www.croydon.gov.uk/mayors-business-plan-2022-2026) - The council balances its books, listens to residents and delivers good, sustainable services.

IMPLICATIONS

17. FINANCIAL IMPLICATIONS

17.1 Revenue and Capital consequences of report recommendation, at period 8 (November 2023), the Housing Revenue Account (HRA) revenue forecast remains at an overspend of £12.0m. This is broken down to an overspend of £8.6m within responsive repairs, due to additional repair demand including damp and mould, a significant increase in voids, and £3.4m of disrepair costs, legal fees and settlements. The capital budget has been increased by agreement from Cabinet on 6 December 2023 from £35.39m to £37.18m. The update to the budget reflects the changes agreed through the Capital Programme and Capital Strategy 2023-29 report. As a result, there is £1.8m forecast overspend on the capital programme.

17.2 The proposed increase in rent and tenant service charges for 2024/25 will fund both the required revenue costs of providing services (including inflationary pressures) and funding the revenue borrowing costs of required capital improvements to properties. The draft budget for 2024-25 includes a 33% increase on the proposed spend within responsive repairs, reflecting the ongoing investment required to resolve the backlog of historic legacy repair work, voids and resolving issues experienced nationally including damp and mould and fire safety set out above. Further management controls and regular reporting of pressures will be required in 2024-25 to ensure that costs are maintained within the revised budget. A review of budgets will take place in the summer 2024, to take account of the stock condition survey data which may result in reforecasting of budgets.

Approved by Orlagh Guarnori – Head of Finance – 31/01/2024

18.LEGAL IMPLICATIONS

18.1 The Council is responsible for making sure the structure of rented property is kept in good condition (which includes the walls, ceiling, roof, and windows); gas and electricity appliances work safely; and shared parts of a building or housing estate are kept in good condition.

18.2 The Council's Tenancy or Lease Agreements set out express terms in relation to both the rights and obligations of the Landlord and the Tenant regarding repair and maintenance responsibilities.

18.3 In addition, repairing obligations are implied in certain circumstances pursuant to a range of legislation such as the *Defective Premises Act 1972* and the *Landlord and Tenant Act 1985*. Failure to comply with these implied terms can result in a civil claim for damages and specific performance. A claim for compensation can also be made under the *Housing Act 1985*. Claims in common law nuisance or negligence can similarly arise. Allegations of statutory nuisance can also be pleaded in the Magistrates' Court under the *Environmental Protection Act 1990* where this is evidence to support such a claim. A housing conditions claim may include a personal injury element.

18.4 Also, the *Homes (Fitness for Human Habitation) Act 2018* contains implied covenants that residential rented accommodation is provided and maintained in a state of fitness for human habitation.

18.5 It is a breach of these obligations which are pleaded by residents in housing disrepair litigation issued against the Council.

18.6 Separately, The Housing Ombudsman (THO) established under the *Housing Act 1996* (as amended by the *Localism Act 2011*) is responsible for investigating complaints about member landlords in accordance with a scheme approved by the Secretary of State.

18.6 In addition, the *Housing and Regeneration Act 2008* established the Regulator of Social Housing (RSH) an executive non-departmental public body of the MHCLG. The RSH sets regulatory standards, codes of practice and guidance for registered providers of social housing. The regulator will consider complaints and referrals to determine whether there is evidence of a breach of its regulatory standards. The Council has self-referred itself to the regulator.

18.7 The *Charter for Social Housing Residents – the Social Housing White Paper* published in November 2020 set out actions the government proposed to take to include a Charter for Social Housing Residents, plans for new regulation, a strengthened Housing Ombudsman to speed up complaints, and a set of tenant satisfaction measures those social landlords will have to report against.

18.8 The *Social Housing (Regulation) Act 2023* received royal assent on 20 July 2023 and provides the legal basis for many of the measures set out in the Social Housing White Paper above. The majority of the Act amends Part 2 of the *Housing and Regeneration Act 2008* which sets out the framework for the regulation of social housing in England. Key measures include 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, new and stronger powers for the regulator and the requirement for social housing managers to have an appropriate level housing management qualification. Whilst some provisions came into force on the day of royal assent or within 2 months thereafter the majority of the provisions are subject to the issue of Regulations by the Secretary of State upon which consultation was issued late in 2023.

18.9 The *Renters Reform Bill* due to pass into law in 2024 will empower tenants to challenge the minority of landlords who provide poor quality housing without worry of a ‘no fault’ eviction.

18.10 Finally, the *Local Government Act 1999* (LGA) imposes a requirement on all local authorities to deliver ‘best value’ which requires the Council to demonstrate that it is making arrangements that are economic, efficient, and effective and the Council has had regard to the need to secure continuous improvement in how it carries out its work. Where the Secretary of State is satisfied that an authority is failing to comply with its Best Value Duty it has powers to intervene. On 20 July 2023 the Secretary of State issued Directions under section 15(5) of the LGA requiring the Council to take a range of actions including ‘to continue to improve the capacity and capability of the Authority’s housing service’. The Directions are expected to remain in force until 20 July 2025 but could be amended or revoked at an earlier date by the Secretary of state if appropriate.

18.11 The contracts referred to in this report were awarded following competitive procurement procedures as detailed within the previous procurement strategy report (Cabinet 22nd June 2022, item 7) and award report (Cabinet 6th March 2023, item 5). Any variations to those contracts must comply with Regulation 72 of the Public Contracts Regulations 2015 (“Modifications of contracts during their term”) and the Council’s Tenders and Contracts Regulations.

Approved by Sandra Herbert, Head of Litigation and Corporate Law and Kiri Bailey, Head of Commercial and Property Law on behalf of Stephen Lawrence-Orumwense, Director of Legal services and Monitoring Officer.

19. EQUALITIES IMPLICATIONS

19.1 The Council has a statutory duty to comply with the provisions set out in the Equality Act 2010. In summary, the Council must in the exercise of all its functions, “have due regard to” the need to comply with the three aims of the general equality duty. These are to

1. Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act
2. Advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
3. Foster good relations between people who share a protected characteristic and people who do not share it

19.2 When a service is contracted out both the contractor and the public authority that commissioned the service must give due regard to the three principles of the General Duty as set out above. Any supplier that is exercising public functions also has an obligation to fulfil the general duty.

19.3 The Contract Management Framework is required to work within the framework of the Equality Strategy 2023- 2027. The deliverables in the Equalities Strategy should be incorporated into the Contract Management Framework and policy documents as detailed below:

“Outline how the proposed contract(s) will comply with the Public Sector Equality Duty outlined in Section 4 of the EQIA; and meet the outcomes of the Council’s equality strategy, particularly:

- i. Ensure that every strategy, delivery plan, council contract and staff appraisal have an equality objective with a link to anti racism.

- ii. That contractors be requested to adopt Croydon’s Equality and George Floyd Race Matters Pledges”.

The Equalities Strategy including the Pledges named above, are provided to all bidders during the tendering stage of the procurement process. Social Value objectives also mirror the Council’s commitments to equalities and diversity.

Approved by Denise McCausland – Equality Programme Manager – 31/01/2024

OTHER IMPLICATIONS

20. PROCUREMENT IMPLICATIONS

20.1 The Contracts were procured in accordance with the Public Contract Regulations and the Council’s Tenders and Contract Regulations. Now these contracts are live they are being contract managed by the SC Team as set out in this report.

20.2 Due to pressure on delivery in some areas including voids and disrepair the Council has secured contingency to utilise other contractors outside of the 3 term contractors on an ad hoc basis should this be required

22. HUMAN RESOURCES IMPLICATIONS

TUPE applied in relation to the in-sourcing of the 5 staff who transferred to the Council on 1 August 2023. A small number of these staff were part of the LGPS pension scheme, and their pension rights remain. Through negotiation, the sharing of the risk between the Council and Contractors in relation to these employees has been agreed. Advice has been sought from the Croydon Pension Team to ensure these risks are minimised and mitigated as far as possible.

23. CRIME AND DISORDER IMPLICATIONS

Ensuring homes are well maintained and fit for purpose, helps support Croydon and prevents any increase in crime and disorder.

24. ICT IMPLICATIONS

The Council implemented a new Housing Management IT solution in June 2023 and interface software was implemented in August 2023 to link the three new repair contractors. This interface enables works orders to be raised and appointments to be offered to tenants at the first point of contact. Using NEC gives Croydon full visibility of repairs information and KPI reporting is no longer controlled by contractors.

25. ENVIRONMENTAL IMPLICATIONS

25.1 The main environmental impacts from the three contracts are as follows:

- Energy use and associated carbon dioxide emissions, from both running buildings, and contract vehicles
- Water use in buildings
- Use of natural resources –products and materials used
- Pollution to air, land or water from vehicle use
- Waste -disposal of construction waste
- Transport – congestion from contract vehicles

25.2 Whilst there is an environmental impact of running the responsive repairs service as there will not be fundamental changes to the service scope there should not be adverse changes compared to the status quo.

25.3 In addition, the re-procurement was designed in a way to encourage bidders to offer solutions that minimise environmental impact in a way that offers value for money. Social value formed a significant part of the documentation with a standalone Social Value Term Brief. In addition, it was a key part of the negotiation process with a dedicated social value meeting with each bidder.

25.4 Social Value was also evaluated throughout the process. There was a selection question at SQ stage, and it formed part of evaluation at Tender stage for both Housing Responsive Repairs and Heating (both ISIT and ISFT for Housing Responsive Repairs) worth 10% of total marks. Part of the social value section included environmental impact with 5 measures relating to environment covering carbon reduction, fleet emissions, % electric fleet, waste management and air quality.

26. RISK IMPLICATIONS

26.1 Joint risk registers are being developed between the Council and each repair service provider. These registers are reviewed at Operational and Strategic Core group meetings. The key risks that have been highlighted to date relate to increased work volumes (repairs and voids) which pose a significant risk to service delivery and supplier relationships, and stabilisation of the contact centre. Mitigation is in place to manage risks some of which include improvement plans.

27. DATA PROTECTION IMPLICATIONS

27.1 The personal data will relate to information on tenants' personal information this will include name, address, contact details and other key details. This is required to allow contractors to contact tenants to gain access to properties.

27.2 A Data Protection Impact Assessment (DPIA) was approved by the Information Management Champions on 31st July 2023 and covers all three contracts.

28. APPENDICES

N/A

29. URGENCY

NOT APPLICABLE

Contract Management Contacts

Area	Main Contact
Head of Repairs and Maintenance	Jerry Austin
Strategic Contract Manager	Duncan Mutembani
Head of Compliance and Building Safety	Niall O'Rourke
Repairs Operations Manager	Lisa Goldstone
Strategic Contract Officer	Rebecca Robertson

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LONDON BOROUGH OF CROYDON

REPORT:	CABINET	
DATE OF DECISION	14 February 2024	
REPORT TITLE:	HRA Rent Setting 2024-25	
CORPORATE DIRECTOR	Susmita Sen, Corporate Director of Housing	
LEAD OFFICER:	Orlagh Guarnori, Head of Finance - Housing	
LEAD MEMBER:	Councillor Lynne Hale, Cabinet Member for Homes	
KEY DECISION?	Yes	<p>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</p> <p style="text-align: right;">and</p> <p>Decision significantly impacts on communities living or working in an area comprising two or more Wards</p>
CONTAINS EXEMPT INFORMATION?	NO	
WARDS AFFECTED:	All	

1 SUMMARY OF REPORT

- 1.1 The report sets out for approval the Council's HRA rent setting arrangements for council tenants from 1 April 2024 to 31 March 2025.

2 RECOMMENDATIONS

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

- 2.1 to agree the social rents increase of 7.7% from April 2024 based on the current final year of the government's Social Housing Rent Policy, (applying September 2023 CPI + 1%)
- 2.2 to agree the request to set the tenants service charges increase at the same level as the rents (7.7%) for the financial year 2024-25

- 2.3 to agree the continuation of the Housing Revenue Account (HRA) hardship fund aimed at assisting tenants who are financially impacted by the 2024-25 rent increase, subject to obtaining a further Direction in appropriate terms from the Secretary of State.
- 2.4 to agree, the nil increase to the garage rents on the proviso that a full review of the viability of assets is carried out in 2024-25 and reported back to Cabinet.
- 2.5 to agree the request to set the increase in the caravan site plot charges in line with September CPI of 6.7%

3 REASONS FOR RECOMMENDATIONS

- 3.1 To meet the legal requirement to set the HRA tenant rents and other charges for the financial year 2024-25.
- 3.2 To meet the tenant's aspirations and requirements which they voiced in their responses to the Tenants Survey issued in November 2023.
- 3.3 To adhere to the legal requirement as a landlord, Croydon Council must provide its tenants a notice of variation with details about the increase a minimum of 28 days before the increase takes effect.

4 BACKGROUND

- 4.1 Under Section 74 of the Local Government and Housing Act 1989, Croydon has a statutory requirement to account separately for the accounts related to its local authority housing provision (Housing Revenue Account). This landlord account is ring-fenced and is in place solely to meet the costs arising from the provision and management of the councils housing stock.
- 4.2 In April 2012 the localised system of self-financing commenced. Each local authority in a settlement agreement inherited a level of debt from the government in return for the right to all future rental income streams. These rental streams have subsequently been impacted by government with directions on social rent levels.
- 4.3 Over a period of four years rents for social housing tenants were reduced by 1% from 2016-17. By 2019-20 the result is an estimated 12% reduction in average rents.
- 4.4 The government set out the Social Housing Rents Policy from 2020 that local authorities can increase rents to a ceiling of Consumer Price Index (CPI) + 1% each year to 2024-25.
- 4.5 In 2022 government issued a variation to the policy and directed providers to cap social rents for 2023-24 at 7% with the option to cap again in 2024/25 should CPI remain at the levels of 2022.

- 4.6 The autumn statement 2023 announcement confirmed no variation to the policy. Therefore September CPI 6.7% + 1% = 7.7% is the recommended increase for 2024-25.

5 RENT

- 5.1 A 7.7% increase in the average weekly rents and tenants charges equates to an average weekly increase of £7.19 on a one bedroom property. Table 1 sets out the average weekly rents per unit. The service charge increase is per property type and rises to £12.56 for flats (table 2).

Table 1 Average weekly rents

Bedroom Size	Average rent 2023-24	<u>7.7%</u> - Average rent 2024-25	Increase vs 2023-24
	£p/w	£p/w	£p/w
0 Bedsit	85.82	92.43	6.61
1	102.76	109.95	7.19
2	122.34	130.90	8.56
3	147.71	158.05	10.34
4	167.43	179.15	11.72
5	183.16	195.98	12.82
>5	205.10	219.46	14.36

Table 2 Average weekly service charges

Property Type	Tenants charge 2023-24	<u>7.7%</u> Average charge 2024-25	Increase vs 2023-24
	£p/w	£p/w	£p/w
Flats	11.74	12.64	0.90
Estate Houses	2.41	2.60	0.19

- 5.2 It is estimated that 67.9% of tenants are eligible for some form of Housing Benefit. The remaining 32.1% receive no benefits and these self-payers would potentially be at some financial risk as a result of the increases.
- 5.3 Engagement with tenants on these issues began in October 2023 through the Tenants and Leaseholder Panel (TLP) meeting. Officers set out models of potential rent increases and the rationale as to why the income gain is required to continue to increase the standards of our properties. Follow up meetings in early January were also well represented by TLP and resulted in their overall understanding for the rationale for the rent increase.

- 5.4** Enhanced engagement with tenants in this financial year will be continued going forward. With a range of initiatives being undertaken to support tenants, including the success of Welfare Officers Team who identified residents not in receipt of benefits and have supported in excess of 100 residents to claim additional support.
- 5.5** The HRA specific discretionary fund to assist households that experience severe financial difficulties was set up in 2023-24 following an application to the Secretary of State to allow for the provision. Payments have been made to 97 residents totalling £48,000 to date. An application to the Secretary of State has again been requested by officers to continue this fund to assist households. There is also a review underway to determine if the fund can be further strengthened, due to the marked increase in applications being received in the latter part of this year.
- 5.6** Non-dwelling charges such as garage-rents requires additional analysis of the condition of the assets and their best use prior to any recommendation to increase the current average weekly charges of £16.75. The review will be conducted and will inform an element of the Asset Management Strategy which will be reported to Cabinet 2024
- 5.7** Caravan site plots are charged at £63.63. It is proposed that an increase in line with the September CPI 6.7% should be made.

6 EXPENDITURE

- 6.1** The increased HRA expenditure budget 2024-25 is being sought to fund tenants top priorities of repairs and planned maintenance, anti-social behaviour, caretaking functions, grounds maintenance and parking. These were made clear in tenants responses to the November 2023 survey. Specifically, a 33% growth in responsive repairs will seek to address:
- An increased volume of repairs that have been received from tenants as a consequence of historical under investment in the stock including insufficient growth in responsive repair budgets.
 - The significant works undertaken to tackle reports of damp and mould.
 - To enhance capacity to meet the needs of The Social Housing (Regulation) Act 2023, including the Awaab's Law amendment to ensure social landlords fix damp and mould within strict time limits.
 - The ongoing work to manage the legacy voids and ensure that we are turning around our stock and bringing it to a "decent" standard for our tenants.
 - To continue to address the issues above that have led to a significant increase in legal disrepair claims and compensation payments.
- 6.2** The additional annual income gain is sought to also fund the implementation of HRA specific elements of the Housing Strategy such as the requirements of the new Building

Safety Act. This also includes looking at staffing structures, with potential growth in specific areas to ensure we have the capacity to achieve the key aims in the Housing Strategy and to deliver the housing service in line with resident expectations and engagement feedback, and performance targets set by the Housing Improvement Board.

6.3 There is also a requirement for the service to meet the requirements set out by the Regulator for Social Housing (RSH) of four new proposed standards:

- The Safety and Quality Standard will require landlords to provide safe and good-quality homes for their tenants, along with good-quality landlord services.
- The Transparency, Influence and Accountability Standard will require landlords to be open with tenants and treat them with fairness and respect so they can access services, raise concerns when necessary, influence decision making and hold their landlord to account.
- The Neighbourhood and Community Standard will require landlords to engage with other relevant parties so that tenants can live in safe and well-maintained neighbourhoods and feel safe in their homes.
- The Tenancy Standard sets requirements for the fair allocation and letting of homes, as well as requirements for how tenancies are managed by landlords.

7 ALTERNATIVE OPTIONS CONSIDERED

7.1 Modelling of rent levels below that of the Social Housing Rent Policy has been carried out previously as a result of the rent cap in 2023-24. The 7% cap represents a loss to the HRA of £3.3m for 2023-24.

7.2 No mechanism was implemented to recoup the lost £3.3m revenue from 2023-24. At a Net Present Value (NPV) rate of 4%, over the 30-year business plan life cycle this equates to lost income of £57.1m to the HRA. This significantly impacts on the ability of HRA to meet its long term commitments and legislative requirements and the commitments made in the Improvement Plan. As a direct result there are no alternative options proposed for the 2024-25 rent increase other than continued compliance with the Social Housing Rent Policy.

7.3 The proposed increase is in line with the vast majority of Councils who are also seeking to implement increases to the maximum value, in this the final year of the Social Housing Rent Policy.

8 CONSULTATION

- 8.1 Engagement with our tenants began in October 2023 through the Tenants and Leaseholder Panel (TLP) meeting and continued into January 2024.
- 8.2 A Tenants Survey was launched on 6 November 2023. The survey requested respondents to prioritise services that matter most to them the survey closed on 15 December 2023, over 830 responses have been received. Tenants have been clear they want to see improvements to services provided and have prioritised repairs and planned maintenance, action to tackle anti-social behaviour, greater emphasis on caretaking functions, improvement to grounds maintenance and tackle parking violations on estates.
- 8.3 The feedback from the surveys has been used to inform the budget allocation.

7. CONTRIBUTION TO COUNCIL PRIORITIES

- 7.1 The HRA Business Plan and Budget Update 2024-25 report supports the Mayor's Business Plan 2022-2026 Objective one "The council balances its books, listens to residents and delivers good sustainable services"
- 7.2 The report also supports the Council to achieve Outcome four of the Mayor's Business Plan 2022-26 to "Invest in council homes to drive up standards and develop a more responsive and effective housing service"

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

- 8.1.1 The financial impacts to the HRA have been outlined in the report showing that an increase in annual income of circa £6.7m from the proposed 7.7% increase is required to meet the revenue pressures that have been evidenced since Period 5 reporting to cabinet of a £12m overspend against the current 2023-24 budget.
- 8.1.2 Further controls and reporting of pressures will be required in 2024-25 to ensure that costs are maintained within the revised budget.
- 8.1.3 The proposed increase in rent and tenant service charges will fund both the required revenue costs of providing services (including inflationary pressures) and funding the revenue borrowing costs of required capital improvements to properties.
- 8.1.4 Comments approved by Allister Bannin, Director of Finance. (Date 04/01/2024)

8.2 LEGAL IMPLICATIONS

- 8.2.1** Section 24 of the Housing Act 1985 provides that a local housing authority may make such reasonable charges as they may determine for the tenancy or occupation of their houses, and that the authority must from time to time review rents and make such changes as circumstances may require. However, in exercising these functions, local housing authorities must have regard in particular to any relevant standards set for them by the Social Housing Regulator.
- 8.2.2** The government's Policy Statement on rents for social housing (updated 14 December 2022) sets out the government's policy on rents for social housing from 1 April 2020 onwards. Paragraph 2.15 of the Policy Statement provides "from 1 April 2020, registered providers may not increase rents by more than CPI (as at September of the previous year) + 1 percentage point in any year. For rent periods that begin in the 12 months from 1 April 2023 to 31 March 2024, this limit is subject to a 7% ceiling. In that year, registered providers may not increase rents by more than 7%. The 7% ceiling does not apply to supported housing accommodation". The government has also issued Directions on the Rent Standard to the Regulator of Social Housing requiring the Regulator to have regard to the Policy Statement when setting its Rent Standard for registered providers of social housing (including local authorities). Although no Rent Standard has yet been set for rent periods that begin in the 12 months from 1 April 2024 to 31 March 2025, it is anticipated that that Standard will reflect the limit on rent increases as specified in the Policy Statement, and will require all registered providers, including local authorities to set rents in accordance with the Policy Statement.
- 8.2.3** In relation to changes to rents, paragraph 2.16 of the Policy Statement provides "providers will be free to apply a lower increase, or to freeze or reduce rents, if they wish to do so. Providers should consider the local market context when deciding whether to implement a rent increase and the level of that increase, as well as the levels of Housing Benefit or Universal Credit that are available to claimant households who might occupy their properties".
- 8.2.4** In relation to varying the terms of secure tenancy agreements in respect of rents and service charges, the Council must comply with the provisions of Sections 102 & 103 of the Housing Act 1985.
- 8.2.5** A further Direction will be needed from the Secretary of State which will permit the Council to make certain additional credits and debits to the HRA under Item 9 Part I and Item 10 Part II of Schedule 4 of the 1989 Act in relation to Discretionary Housing Payments. Guidance from the Secretary of State indicates that as there is no express provision in the 1989 Act relating to the funding of DHPs from the HRA, the Secretary of State is prepared to issue Directions to individual authorities to put the matter beyond doubt, subject to certain rules and limits.
- 8.2.6** Comments approved by Sandra Herbert, Head of Litigation & Corporate Law on behalf of the Director of Legal Services and Monitoring Officer. (Date 15/12/2023)

8.3 EQUALITIES IMPLICATIONS

8.3.1 As a public body, the Council is required to comply with the Public Sector Equality Duty [PSED], as set out in the Equality Act 2010. The PSED requires the Council to have due regard to the need to:

eliminate discrimination,

advance equality of opportunity and

foster good relations between different people when carrying out their activities.

8.3.2 Failure to meet these requirements may result in the Council being exposed to costly, time consuming and reputation-damaging legal challenges.

8.3.3 The Council's data indicates that the proposed change will have an impact on certain protected characteristic groups (age, gender, ethnicity). We will proactively engage with tenants to decide what mitigations would be appropriate to reduce the likelihood of a negative impact on these groups. Plans are also in place to improve our protected characteristic groups to more accurately assess negative impacts on other groups. The analysis of the data has provided us with confidence that no intentional discrimination of the protected characteristics groups. The mitigation outlines above and our engagement intentions during the 2024 year will support the council to ensure that we continue to adhere to this.

8.3.4 Comments approved by Naseer Ahmad on behalf of the Equalities Manager. (Date 13/12/2023)

9. APPENDICES

9.1 Appendix A: Equalities Impact Assessment

10 **Background Documents** – N/A

Equality Analysis Form

1. Introduction

1.1 Purpose of Equality Analysis

The council has an important role in creating a fair society through the services we provide, the people we employ and the money we spend. Equality is integral to everything the council does. We are committed to making Croydon a stronger, fairer borough where no community or individual is held back.

Undertaking an Equality Analysis helps to determine whether a proposed change will have a positive, negative, or no impact on groups that share a protected characteristic. Conclusions drawn from Equality Analyses helps us to better understand the needs of all our communities, enable us to target services and budgets more effectively and also helps us to comply with the Equality Act 2010.

An equality analysis must be completed as early as possible during the planning stages of any proposed change to ensure information gained from the process is incorporated in any decisions made.

In practice, the term '**proposed change**' broadly covers the following:-

- Policies, strategies and plans;
- Projects and programmes;
- Commissioning (including re-commissioning and de-commissioning);
- Service review;
- Budget allocation/analysis;
- Staff restructures (including outsourcing);
- Business transformation programmes;
- Organisational change programmes;
- Processes (for example thresholds, eligibility, entitlements, and access criteria).

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2. Proposed change

Directorate	Housing
Title of proposed change	HRA Rent Setting 2024-25
Name of Officer carrying out Equality Analysis	Orlagh Guarnori

2.1 Purpose of proposed change (see 1.1 above for examples of proposed changes)

To ensure continued investment in the management, maintenance and development of council housing stock to ensure the needs of existing and potential tenants are met, and to provide enhanced support for families and communities experiencing hardship the proposal is to increase the HRA rents in line with the government directive by 7.7% for 2024/25

The rent increase is required to enable the Council to meet its requirements to continue to invest in the housing stock and to set a balanced budget for 2024/25 that reflects Croydon's HRA business plan and takes into account the Mayor's priorities. The report provides an overview of the impact on tenants of protected characteristic groups by increasing the rent level to 7.7%.

3. Impact of the proposed change

Important Note: It is necessary to determine how each of the protected groups could be impacted by the proposed change. Who benefits and how (and who, therefore doesn't and why?) Summarise any positive impacts or benefits, any negative impacts and any neutral impacts and the evidence you have taken into account to reach this conclusion. Be aware that there may be positive, negative and neutral impacts within each characteristic.

Where an impact is unknown, state so. If there is insufficient information or evidence to reach a decision you will need to gather appropriate quantitative and qualitative information from a range of sources e.g. Croydon Observatory a useful source of information such as Borough Strategies and Plans, Borough and Ward Profiles, Joint Strategic Health Needs Assessments <http://www.croydonobservatory.org/> Other sources include performance monitoring reports, complaints, survey data, audit reports, inspection reports, national research and feedback gained through engagement with service users, voluntary and community organisations and contractors.

3.1 Deciding whether the potential impact is positive or negative

Table 1 – Positive/Negative impact

For each protected characteristic group show whether the impact of the proposed change on service users and/or staff is positive or negative by briefly outlining the nature of the impact in the appropriate column. . If it is decided that analysis is not relevant to some groups, this should be recorded and explained. In all circumstances you should list the source of the evidence used to make this judgement where possible.

Protected characteristic group(s)	Positive impact	Negative impact	Source of evidence
Age	<p>The positive impacts listed below will impact more 30-50 y/o residents than any other age group</p> <p>People will benefit from the overall investment in council housing</p> <p>The cost rise to tenants is a relatively modest one and follows four years of rent reductions for tenants. The rise will</p>	<p>The negative impacts listed below will impact more 30-50 y/o residents than any other age group</p> <p>The increase will place an additional financial burden on tenants although an increase in benefits will cover the rent increase.</p>	<p>Council tenants can be broken down into the following age groups:</p> <p>20-29: 4%</p> <p>30-39: 14%</p> <p>40-49: 19%</p> <p>50-59: 25%</p> <p>60-69: 18%</p> <p>70-79: 11%</p> <p>80-89: 6%</p>

	enable the council to improve and provide range of services to tenants.	<p>68% of our existing tenants are in receipt of financial help with housing costs i.e., Housing Benefit or Universal Credit and therefore will be less likely to be negatively impacted by the 7% increase.</p> <p>32% of our existing tenants are not in receipt of financial help with housing costs and therefore, will need to pay the increased service charges and rent from their existing resources.</p> <p>Tenants unable to pay the increased rent and service charges may increase bad debt and debt arrears.</p>	<p>90-99: 1%</p> <p>30-59 y/o tenants constitute 44% of Council tenants (more than any other two age groups combined)</p>
Disability	<p>People will benefit from the overall investment in council housing.</p> <p>Eligible tenants will benefit from the provision of disabled adaptations (major and minor) to existing council housing resourced through the 7% increase to rent and service charges.</p> <p>Disability payments to parents of disabled children are not affected.</p>	<p>Due to a lack of data, the Council cannot confirm that the 7% increase to rent and service charges will not negatively impact tenants identifying as having a disability specifically.</p>	<p>14.1% of Croydon residents identified as having a disability in 2011.</p> <p>The Council does not collect disability data on Council tenants. Data collection on protected characteristics of Council tenants will be improved from May 2023 due to the implementation of the NEC Housing system.</p> <p>The Council will proactively target the 32% of tenants not in receipt of Housing Benefit who the Council anticipates may be negatively impacted by the 7% increase to rent and service charges.</p> <p>The Council will do this through engagement with tenants to understand how the Council can support protected characteristic groups.</p>
Sex	The positive impact listed below will impact more residents identifying as female than those identifying as male.	The negative impact listed below will impact more residents identifying as female than those identifying as male.	<p>The gender of Council tenants is as follows:</p> <p>Female: 67%</p>

	<p>People will benefit from the overall investment in council housing.</p>	<p>The increase will place an additional financial burden on tenants although an increase in benefits will cover the rent increase.</p> <p>68% of our existing tenants are in receipt of financial help with housing costs i.e., Housing Benefit or Universal Credit and therefore will be less likely to be negatively impacted by the 7% increase.</p> <p>32% of our existing tenants are not in receipt of financial help with housing costs and therefore, will need to pay the increased service charges and rent from their existing resources.</p> <p>Tenants unable to pay the increased rent and service charges may increase bad debt and debt arrears.</p>	<p>Male: 33%</p>
Gender identity	<p>People will benefit from the overall investment in council housing.</p>	<p>The increase will place an additional financial burden on tenants although an increase in benefits will cover the rent increase.</p> <p>68% of our existing tenants are in receipt of financial help with housing costs i.e., Housing Benefit or Universal Credit and therefore will be less likely to be negatively impacted by the 7% increase.</p> <p>32% of our existing tenants are not in receipt of financial help with housing costs and therefore, will need to pay the increased service charges and rent from their existing resources.</p>	<p>The Council does not collect data on the gender identity of Council tenants. Data collection on protected characteristics of Council tenants will be improved from May 2023 due to the implementation of the NEC Housing system.</p> <p>The Council will proactively target the 32% of tenants not in receipt of Housing Benefit who the Council anticipates may be negatively impacted by the 7% increase to rent and service charges.</p> <p>The Council will do this through engagement with tenants to understand how the Council can support protected characteristic groups.</p>

		Tenants unable to pay the increased rent and service charges may increase bad debt and debt arrears.	
Marriage or Civil Partnership	<p>People will benefit from the overall investment in council housing.</p> <p>There is not expected to be any particular negative impact on this specific group.</p>	<p>The increase will place an additional financial burden on tenants although an increase in benefits will cover the rent increase.</p> <p>68% of our existing tenants are in receipt of financial help with housing costs i.e., Housing Benefit or Universal Credit and therefore will be less likely to be negatively impacted by the 7% increase.</p> <p>32% of our existing tenants are not in receipt of financial help with housing costs and therefore, will need to pay the increased service charges and rent from their existing resources.</p> <p>Tenants unable to pay the increased rent and service charges may increase bad debt and debt arrears.</p>	<p>The Council does not collect data on the marriage or civil partnership status of tenants. Data collection on protected characteristics of Council tenants will be improved from May 2023 due to the implementation of the NEC Housing system.</p> <p>The Council will proactively target the 32% of tenants not in receipt of Housing Benefit who the Council anticipates may be negatively impacted by the 7% increase to rent and service charges.</p> <p>The Council will do this through engagement with tenants to understand how the Council can support protected characteristic groups.</p>
Religion or belief	<p>People will benefit from the overall investment in council housing.</p> <p>Developing and supporting staff to provide great customer service will ensure appropriate and sensitive services are delivered to the religious or belief requirements of tenants.</p>	<p>The increase will place an additional financial burden on tenants although an increase in benefits will cover the rent increase.</p> <p>68% of our existing tenants are in receipt of financial help with housing costs i.e., Housing Benefit or Universal Credit and therefore will be less likely to be negatively impacted by the 7% increase.</p> <p>32% of our existing tenants are not in receipt of financial help with housing costs and therefore, will need to pay</p>	<p>The Council does not collect data on the religion or belief of Council tenants. Data collection on protected characteristics of Council tenants will be improved from May 2023 due to the implementation of the NEC Housing system.</p> <p>The Council will proactively target the 32% of tenants not in receipt of Housing Benefit who the Council anticipates may be negatively impacted by the 7% increase to rent and service charges.</p> <p>The Council will do this through engagement with tenants to understand</p>

		<p>the increased service charges and rent from their existing resources.</p> <p>Tenants unable to pay the increased rent and service charges may increase bad debt and debt arrears.</p>	<p>how the Council can support protected characteristic groups.</p>
Race	<p>The positive impacts listed below will impact more residents identifying as Black or White than those identifying as other ethnic groups.</p> <p>People will benefit from the overall investment in council housing.</p> <p>Communication about the increase in rents and charges will be made for whom English is not their first language.</p>	<p>The negative impacts listed below will impact more residents identifying as Black or White than those identifying as other ethnic groups.</p> <p>68% of our existing tenants are in receipt of financial help with housing costs i.e., Housing Benefit or Universal Credit and therefore will be less likely to be negatively impacted by the 7% increase.</p> <p>32% of our existing tenants are not in receipt of financial help with housing costs and therefore, will need to pay the increased service charges and rent from their existing resources.</p> <p>Tenants unable to pay the increased rent and service charges may increase bad debt and debt arrears</p>	<p>Council tenants can be broken down into the following ethnicity groups:</p> <p>Asian: 9% Black: 37% White: 47% Mixed: 4% Other: 3%</p>
Sexual Orientation	<p>People will benefit from the overall investment in council housing.</p>	<p>68% of our existing tenants are in receipt of financial help with housing costs i.e., Housing Benefit or Universal Credit and therefore will be less likely to be negatively impacted by the 7% increase.</p> <p>32% of our existing tenants are not in receipt of financial help with housing costs and therefore, will need to pay the increased service charges and rent from their existing resources.</p>	<p>The Council does not collect data on the sexual orientation of tenants. Data collection on protected characteristics of Council tenants will be improved from May 2023 due to the implementation of the NEC Housing system.</p> <p>The Council will proactively target the 32% of tenants not in receipt of Housing Benefit who the Council anticipates may be negatively impacted by the 7% increase to rent and service charges.</p>

		Tenants unable to pay the increased rent and service charges may increase bad debt and debt arrears	The Council will do this through engagement with tenants to understand how the Council can support protected characteristic groups.
Pregnancy or Maternity	People will benefit from the overall investment in council housing and in particular better quality and additional family housing	<p>68% of our existing tenants are in receipt of financial help with housing costs i.e., Housing Benefit or Universal Credit and therefore will be less likely to be negatively impacted by the 7% increase.</p> <p>32% of our existing tenants are not in receipt of financial help with housing costs and therefore, will need to pay the increased service charges and rent from their existing resources.</p> <p>Tenants unable to pay the increased rent and service charges may increase bad debt and debt arrears</p>	<p>The Council does not collect data on the pregnancy or maternity status of tenants.</p> <p>Data collection on protected characteristics of Council tenants will be improved from May 2023 due to the implementation of the NEC Housing system.</p> <p>The Council will proactively target the 32% of tenants not in receipt of Housing Benefit who the Council anticipates may be negatively impacted by the 7% increase to rent and service charges.</p> <p>The Council will do this through engagement with tenants to understand how the Council can support protected characteristic groups.</p>

Important note: You must act to eliminate any potential negative impact which, if it occurred would breach the Equality Act 2010. In some situations this could mean abandoning your proposed change as you may not be able to take action to mitigate all negative impacts.

When you act to reduce any negative impact or maximise any positive impact, you must ensure that this does not create a negative impact on service users and/or staff belonging to groups that share protected characteristics. **Please use table 4 to record actions that will be taken to remove or minimise any potential negative impact**

3.2 Additional information needed to determine impact of proposed change

Table 2 – Additional information needed to determine impact of proposed change

If you need to undertake further research and data gathering to help determine the likely impact of the proposed change, outline the information needed in this table. Please use the table below to describe any consultation with stakeholders and summarise how it has influenced the proposed change. Please attach evidence or provide link to appropriate data or reports:

Additional information needed and or Consultation Findings	Information source	Date for completion

For guidance and support with consultation and engagement visit <https://intranet.croydon.gov.uk/working-croydon/communications/consultation-and-engagement/starting-engagement-or-consultation>

3.3 Impact scores

Example

If we are going to reduce parking provision in a particular location, officers will need to assess the equality impact as follows;

1. Determine the Likelihood of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the likelihood of impact score is 2 (likely to impact)
2. Determine the Severity of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the Severity of impact score is also 2 (likely to impact)
3. Calculate the equality impact score using table 4 below and the formula **Likelihood x Severity** and record it in table 5, for the purpose of this example - **Likelihood (2) x Severity (2) = 4**

Table 4 – Equality Impact Score

Severity of Impact	3	3	6	9
	2	2	4	6
	1	1	2	3
		1	2	3
	Likelihood of Impact			

Key

Risk Index	Risk Magnitude
6 – 9	High
3 – 5	Medium
1 – 3	Low

Equality Analysis

Table 3 – Impact scores

Column 1 PROTECTED GROUP	Column 2 LIKELIHOOD OF IMPACT SCORE Use the key below to score the likelihood of the proposed change impacting each of the protected groups, by inserting either 1, 2, or 3 against each protected group. 1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact	Column 3 SEVERITY OF IMPACT SCORE Use the key below to score the severity of impact of the proposed change on each of the protected groups, by inserting either 1, 2, or 3 against each protected group. 1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact	Column 4 EQUALITY IMPACT SCORE Calculate the equality impact score for each protected group by multiplying scores in column 2 by scores in column 3. Enter the results below against each protected group. Equality impact score = likelihood of impact score x severity of impact score.
Age	3	2	6
Disability	2	2	4
Sex	3	2	6
Gender reassignment	2	2	4
Marriage / Civil Partnership	2	2	4
Race	3	2	6
Religion or belief	2	2	4
Sexual Orientation	2	2	4
Pregnancy or Maternity	2	2	4

Equality Analysis

4. Statutory duties

4.1 Public Sector Duties

Tick the relevant box(es) to indicate whether the proposed change will adversely impact the Council's ability to meet any of the Public Sector Duties in the Equality Act 2010 set out below.

Advancing equality of opportunity between people who belong to protected groups	x	<input type="checkbox"/>
Eliminating unlawful discrimination, harassment and victimisation	x	<input type="checkbox"/>
Fostering good relations between people who belong to protected characteristic groups		<input type="checkbox"/>

Important note: If the proposed change adversely impacts the Council's ability to meet any of the Public Sector Duties set out above, mitigating actions must be outlined in the Action Plan in section 5 below.

5. Action Plan to mitigate negative impacts of proposed change

Important note: Describe what alternatives have been considered and/or what actions will be taken to remove or minimise any potential negative impact identified in Table 1. Attach evidence or provide link to appropriate data, reports, etc:

Table 4 – Action Plan to mitigate negative impacts

Complete this table to show any negative impacts identified for service users and/or staff from protected groups, and planned actions mitigate them.				
Protected characteristic	Negative impact	Mitigating action(s)	Action owner	Date for completion
Age	Due to a lack of data, the Council cannot confirm that the 7.7% increase to rent and service charges will not negatively impact tenants identifying as having a disability specifically.	Negative impact on all tenants will be mitigated through the actions below: We will communicate with all tenants to explain any significant changes affecting them and what we are	Director of Tenancy Services, Housing Resident Engagement & Allocations	Ongoing

Equality Analysis

	<p>However, the proposed change is not expected to have a negative impact.</p> <p>The Council will make sure that any negative impacts due to the information regarding the proposed change not being accessible is mitigated.</p>	<p>investing in.</p> <p>We will publish clear information on rent which helps tenants to manage their own finances;</p> <ul style="list-style-type: none"> • Signpost tenants to a relevant benefit agency to help ensure they are maximising their income to meet their living costs; • Take action to raise the awareness of accessing a range of welfare benefits; and • Provide the opportunity to access direct support in checking they are in receipt of the welfare benefits they are entitled to claim. • Signpost tenants to debt management advice and organisations <p>We will gather data on:</p> <ul style="list-style-type: none"> • Debt specific for each of the types of tenants to better inform future policies • Specific characteristics of tenants to better inform future policies <p>We will increase engagement with engage tenants through existing</p>		
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Equality Analysis

		<p>groups and seek involvement of minority groups through these channels</p> <p>We will support tenants to access non means tested grants and support</p> <p>We will offer translation of communication into alternative languages.</p>		
Disability	<p>The negative impacts listed below will impact more residents identifying as Black or White than those identifying as other ethnic groups.</p> <p>There is a risk that those for whom English is not their first language are not made fully aware of changes. The Council will make sure that any negative impacts due to the information regarding the proposed change not being accessible is mitigated.</p> <p>32% of our existing tenants are not in receipt of financial help with housing costs and therefore, will need to pay the increased service charges and rent from their existing</p>	<p>We will offer translation of communication into alternative languages.</p> <p>The Council will consider barriers to accessing information regarding the 7.7% increase and the financial support available likely to be faced by tenants identifying as Black.</p> <p>Negative impact on all tenants will be mitigated through the actions below:</p> <p>We will publish clear information on rent which helps tenants to manage their own finances;</p> <ul style="list-style-type: none"> • Signpost tenants to a relevant benefit agency to help ensure they are maximising their income to 	Director of Tenancy Services, Housing Resident Engagement & Allocations	Ongoing

Equality Analysis

	<p>resources. Existing resources may be more limited due to the cost-of-living crisis.</p>	<p>meet their living costs;</p> <ul style="list-style-type: none"> • Take action to raise the awareness of accessing a range of welfare benefits; and • Provide the opportunity to access direct support in checking they are in receipt of the welfare benefits they are entitled to claim. • Signpost tenants to debt management advice and organisations <p>We will gather data on:</p> <ul style="list-style-type: none"> • Debt specific for each of the types of tenants to better inform future policies • Specific characteristics of tenants to better inform future policies <p>We will increase engagement with engage tenants through existing groups and seek involvement of minority groups through these channels</p> <p>We will support tenants to access non means tested grants and support</p>		
Sex	<p>More residents identifying as female will be negatively impacted than those identifying as male.</p>	<p>The Council will consider barriers to accessing information regarding the</p>	<p>Director of Tenancy Services,</p>	<p>Ongoing</p>

Equality Analysis

	<p>32% of our existing tenants are not in receipt of financial help with housing costs and therefore, will need to pay the increased service charges and rent from their existing resources. Existing resources may be more limited due to the cost-of-living crisis.</p>	<p>7% increase and the financial support available likely to be faced by tenants identifying as female.</p> <p>We will publish clear information on rent which helps tenants to manage their own finances.</p> <ul style="list-style-type: none"> • Signpost tenants to a relevant benefit agency to help ensure they are maximising their income to meet their living costs; • Take action to raise the awareness of accessing a range of welfare benefits; and • Provide the opportunity to access direct support in checking they are in receipt of the welfare benefits they are entitled to claim. • Signpost tenants to debt management advice and organisations <p>We will gather data on:</p> <ul style="list-style-type: none"> • Debt specific for each of the types of tenants to better inform future policies • Specific characteristics of tenants to better inform future policies 	<p>Housing Resident Engagement & Allocations</p>	
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Equality Analysis

		<p>We will increase engagement with engage tenants through existing groups and seek involvement of minority groups through these channels</p> <p>We will support tenants to access non means tested grants and support</p>		
Gender reassignment	<p>Due to a lack of data, the Council cannot confirm that the 7% increase to rent and service charges will not negatively impact tenants based on their gender identity. However, the proposed change is not expected to have a negative impact.</p> <p>32% of our existing tenants are not in receipt of financial help with housing costs and therefore, will need to pay the increased service charges and rent from their existing resources. Existing resources may be more limited due to the cost-of-living crisis.</p>	<p>Negative impact on all tenants will be mitigated through the actions below: We will publish clear information on rent which helps tenants to manage their own finances;</p> <ul style="list-style-type: none"> • Signpost tenants to a relevant benefit agency to help ensure they are maximising their income to meet their living costs; • Take action to raise the awareness of accessing a range of welfare benefits; and • Provide the opportunity to access direct support in checking they are in receipt of the welfare benefits they are entitled to claim. • Signpost tenants to debt management advice and organisations 	Director of Tenancy Services, Housing Resident Engagement & Allocations	Ongoing

Equality Analysis

		<p>We will gather data on:</p> <ul style="list-style-type: none"> • Debt specific for each of the types of tenants to better inform future policies • Specific characteristics of tenants to better inform future policies <p>We will increase engagement with engage tenants through existing groups and seek involvement of minority groups through these channels</p> <p>We will support tenants to access non means tested grants and support</p>		
<p>Marriage / Civil Partnership</p>	<p>Due to a lack of data, the Council cannot confirm that the 7% increase to rent and service charges will not negatively impact tenants based on their sexual orientation.</p> <p>However, the proposed change is not expected to have a negative impact.</p> <p>32% of our existing tenants are not in receipt of financial help with</p>	<p>Negative impact on all tenants will be mitigated through the actions below:</p> <p>We will publish clear information on rent which helps tenants to manage their own finances;</p>	<p>Director of Tenancy Services, Housing Resident Engagement & Allocations</p>	<p>Ongoing</p>

Equality Analysis

	<p>housing costs and therefore, will need to pay the increased service charges and rent from their existing resources. Existing resources may be more limited due to the cost-of-living crisis.</p>	<ul style="list-style-type: none"> • Signpost tenants to a relevant benefit agency to help ensure they are maximising their income to meet their living costs; • Take action to raise the awareness of accessing a range of welfare benefits; and • Provide the opportunity to access direct support in checking they are in receipt of the welfare benefits they are entitled to claim. • Signpost tenants to debt management advice and organisations <p>We will gather data on:</p> <ul style="list-style-type: none"> • Debt specific for each of the types of tenants to better inform future policies • Specific characteristics of tenants to better inform future policies <p>We will offer translation of communication into alternative languages.</p> <p>We will increase engagement with engage tenants through existing groups and seek involvement of</p>		
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Equality Analysis

		<p>minority groups through these channels</p> <p>We will support tenants to access non means tested grants and support</p>		
Race	<p>The negative impacts listed in Table 1 will impact more 30-50 y/o residents than any other age group</p> <p>32% of our existing tenants are not in receipt of financial help with housing costs and therefore, will need to pay the increased service charges and rent from their existing resources. Existing resources may be more limited due to the cost-of-living crisis.</p>	<p>We will publish clear information on rent which helps tenants to manage their own finances;</p> <ul style="list-style-type: none"> • Signpost tenants to a relevant benefit agency to help ensure they are maximising their income to meet their living costs; • Take action to raise the awareness of accessing a range of welfare benefits; and • Provide the opportunity to access direct support in checking they are in receipt of the welfare benefits they are entitled to claim. • Signpost tenants to debt management advice and organisations <p>We will gather data on:</p> <ul style="list-style-type: none"> • Debt specific for each of the types of tenants to better inform future policies 	<p>Director of Tenancy Services, Housing Resident Engagement & Allocations</p>	<p>Ongoing</p>

Equality Analysis

		<ul style="list-style-type: none"> • Specific characteristics of tenants to better inform future policies <p>We will offer translation of communication into alternative languages.</p> <p>We will increase engagement with engage tenants through existing groups and seek involvement of minority groups through these channels</p> <p>We will support tenants to access non means tested grants and support</p>		
Religion or belief	<p>Due to a lack of data, the Council cannot confirm that the 7% increase to rent and service charges will not negatively impact tenants based on their religion or belief. However, the proposed change is not expected to have a negative impact.</p> <p>32% of our existing tenants are not in receipt of financial help with housing costs and therefore, will need to pay the increased service charges and rent from their existing resources. Existing resources may</p>	<p>Negative impact on all tenants will be mitigated through the actions below:</p> <p>We will publish clear information on rent which helps tenants to manage their own finances;</p> <ul style="list-style-type: none"> • Signpost tenants to a relevant benefit agency to help ensure they are maximising their income to meet their living costs; • Take action to raise the awareness of accessing a range of welfare benefits; and 	Director of Tenancy Services, Housing Resident Engagement & Allocations	Ongoing

Equality Analysis

	<p>be more limited due to the cost-of-living crisis.</p>	<ul style="list-style-type: none"> • Provide the opportunity to access direct support in checking they are in receipt of the welfare benefits they are entitled to claim. • Signpost tenants to debt management advice and organisations <p>We will gather data on:</p> <ul style="list-style-type: none"> • Debt specific for each of the types of tenants to better inform future policies • Specific characteristics of tenants to better inform future policies <p>We will offer translation of communication into alternative languages.</p> <p>We will increase engagement with engage tenants through existing groups and seek involvement of minority groups through these channels</p> <p>We will support tenants to access non means tested grants and support</p>		
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Equality Analysis

<p>Sexual Orientation</p>	<p>Due to a lack of data, the Council cannot confirm that the 7% increase to rent and service charges will not negatively impact tenants identified within this group.</p> <p>However, the proposed change is not expected to have a negative impact.</p> <p>32% of our existing tenants are not in receipt of financial help with housing costs and therefore, will need to pay the increased service charges and rent from their existing resources. Existing resources may be more limited due to the cost-of-living crisis.</p>	<p>Negative impact on all tenants will be mitigated through the actions below:</p> <p>We will publish clear information on rent which helps tenants to manage their own finances;</p> <ul style="list-style-type: none"> • Signpost tenants to a relevant benefit agency to help ensure they are maximising their income to meet their living costs; • Take action to raise the awareness of accessing a range of welfare benefits; and • Provide the opportunity to access direct support in checking they are in receipt of the welfare benefits they are entitled to claim. • Signpost tenants to debt management advice and organisations <p>We will gather data on:</p> <ul style="list-style-type: none"> • Debt specific for each of the types of tenants to better inform future policies • Specific characteristics of tenants to better inform future policies <p>We will offer translation of</p>	<p>Director of Tenancy Services, Housing Resident Engagement & Allocations</p>	<p>Ongoing</p>
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Equality Analysis

		<p>communication into alternative languages.</p> <p>We will increase engagement with engage tenants through existing groups and seek involvement of minority groups through these channels</p> <p>We will support tenants to access non means tested grants and support</p>		
Pregnancy or Maternity	<p>Due to a lack of data, the Council cannot confirm that the 7% increase to rent and service charges will not negatively impact tenants based on marriage or civil partnership status.</p> <p>However, the proposed change is not expected to have a negative impact.</p> <p>32% of our existing tenants are not in receipt of financial help with housing costs and therefore, will need to pay the increased service charges and rent from their existing resources. Existing resources may be more limited due to the cost-of-living crisis.</p>	<p>Negative impact on all tenants will be mitigated through the actions below:</p> <p>We will publish clear information on rent which helps tenants to manage their own finances;</p> <ul style="list-style-type: none"> • Signpost tenants to a relevant benefit agency to help ensure they are maximising their income to meet their living costs; • Take action to raise the awareness of accessing a range of welfare benefits; and • Provide the opportunity to access direct support in checking they are in receipt of the welfare benefits they are entitled to claim. 	Director of Tenancy Services, Housing Resident Engagement & Allocations	Ongoing

Equality Analysis

	<ul style="list-style-type: none"> • Signpost tenants to debt management advice and organisations <p>We will gather data on:</p> <ul style="list-style-type: none"> • Debt specific for each of the types of tenants to better inform future policies • Specific characteristics of tenants to better inform future policies <p>We will offer translation of communication into alternative languages.</p> <p>We will increase engagement with engage tenants through existing groups and seek involvement of minority groups through these channels</p>		
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6. Decision on the proposed change

Based on the information outlined in this Equality Analysis enter X in column 3 (Conclusion) alongside the relevant statement to show your conclusion.		
Decision	Definition	Conclusion - Mark 'X' below
No major change	Our analysis demonstrates that the policy is robust. The evidence shows no potential for discrimination and we have taken all opportunities to advance equality and foster good relations, subject to continuing monitoring and review. If you reach this conclusion, state your reasons and briefly outline the evidence used to support your decision	

Equality Analysis

Adjust the proposed change	<p>We will take steps to lessen the impact of the proposed change should it adversely impact the Council's ability to meet any of the Public Sector Duties set out under section 4 above, remove barriers or better promote equality. We are going to take action to ensure these opportunities are realised. If you reach this conclusion, you must outline the actions you will take in Action Plan in section 5 of the Equality Analysis form</p> <p>The Council's data indicates that the proposed change will have an impact on certain protected characteristic groups (age, gender, ethnicity). Mitigating actions are in place to reduce the likelihood of a negative impact on these groups. Plans are also in place to improve our protected characteristic groups to more accurately assess negative impacts on other groups. The analysis of the data has provided us with confidence that no intentional discrimination of the protected characteristics groups. The mitigation outlined above and our engagement intentions during the 2024 year will support the council to ensure that we continue to adhere to this.</p>	X
Continue the proposed change	<p>We will adopt or continue with the change, despite potential for adverse impact or opportunities to lessen the impact of discrimination, harassment or victimisation and better advance equality and foster good relations between groups through the change. However, we are not planning to implement them as we are satisfied that our project will not lead to unlawful discrimination and there are justifiable reasons to continue as planned. If you reach this conclusion, you should clearly set out the justifications for doing this and it must be in line with the duty to have due regard and how you reached this decision.</p>	
Stop or amend the proposed change	<p>Our change would have adverse effects on one or more protected groups that are not justified and cannot be mitigated. Our proposed change must be stopped or amended.</p>	
Will this decision be considered at a scheduled meeting? e.g. Contracts and Commissioning Board (CCB) / Cabinet		Meeting title: Date:

7. Sign-Off

Equality Analysis

Officers that must approve this decision	
Equalities Lead	Name: Naseer Ahmad Date: 13/12/2023 Position: Interim Senior Equalities Officer
Director	Name: Date: Position:

DRAFT

LONDON BOROUGH OF CROYDON

REPORT:	CABINET	
DATE OF DECISION	14 February 2024	
REPORT TITLE:	HRA Business Plan and Budget Update 2024-25	
CORPORATE DIRECTOR / DIRECTOR:	Susmita Sen, Corporate Director of Housing	
LEAD OFFICER:	Orlagh Guarnori, Head of Finance - Housing	
LEAD MEMBER:	Councillor Lynne Hale, Cabinet Member for Homes	
KEY DECISION?	Yes	<p>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</p> <p style="text-align: right;">and</p> <p>Decision significantly impacts on communities living or working in an area comprising two or more Wards</p>
CONTAINS EXEMPT INFORMATION?	No	
WARDS AFFECTED:	All	

1 SUMMARY OF REPORT

- 1.1 This report presents the latest position for the 30 Year Business Plan (BP) for the Housing Revenue Account (HRA) with consideration to both capital and revenue investments required for the management and maintenance of Croydon Council's housing stock.
- 1.2 The BP demonstrates that the investment proposals are fundable, subject to the assumptions within the plan, and that the HRA remains sustainable and viable over the 30 years period based on the available data at this point in time.
- 1.3 The budget is set based on the available data and reflects the increased pressures on repairs and maintenance costs. Monthly monitoring through the financial performance

reporting will be carried out. A full budget review will be carried out following the outcomes of the Asset Management Strategy due to Cabinet in summer 2024.

2 RECOMMENDATIONS

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

- 2.1** to recommend Full Council to agree the proposed HRA budget for 2024-25.
- 2.2** to recommend Full Council to agree the update to the HRA 30 years Business plan based on the HRA budget for 2024-25.
- 2.3** to note the assumptions in the Business Plan and the associated risk.
- 2.4** to note the ongoing work required on the asset management strategy and the enhanced stock condition surveys that are underway which will further inform the next iteration of the Business Plan.

3 REASONS FOR RECOMMENDATIONS

- 3.1** Section 76 of the Local Government and Housing Act 1989 requires Local Authorities with a Housing Revenue Account (HRA) to set a budget for the account, which is based on best assumptions, that avoids a deficit and keeps the HRA under review.
- 3.2** The 2024-25 budget (Table 1) has been developed through review of, baseline budget, current expenditure on housing services and capital investment required to maintain and improve the housing stock. In addition, an allocation has been made for acquisitions and regeneration to expand our housing stock.
- 3.3** The Housing Revenue Account (HRA) 30 years Business Plan sets out the long term financial position of this ring-fenced general fund account. The plan has been developed with Savills and is attached in Appendix A. Appendix B contains the Savills commentary report.
- 3.4** The plan is for a period of 30 years, with more focus on the first five years, which provides more certainty on costs, demands, resources and pressures, better enabling the prioritisation of housing investment. This plan's capital programme is based on the current limited stock condition data, from the 5% sample survey carried out by Savills in December 2022. Stock condition surveys have been commissioned and it is expected that 40% of the stock will have been surveyed by March 2024. The survey

outputs will inform Croydon's Asset Management Strategy which is due to Cabinet in summer 2024 and will also further inform the next iteration of the HRA Business Plan.

4 HRA REVENUE BUDGET 2024-25

- 4.1 The revenue budget for 2024-25 is set out in table 1 and shows a total budget of £103m. This is an increase of £7.1m from the 2023-24 budget.

Table 1: 2024-25 HRA Budget to Forecast

Description	2023-24 Budget	2023-24 Forecast P07	2024-25 Budget	Budget to Budget Variance
Rental Income	-82.07	-82.07	- 88.39	-6.32
Service Charge Income	-4.63	-4.63	- 4.98	-0.36
Concorde, Sycamore & Windsor (rental income for Temporary Accommodation provision)	-3.36	-3.36	- 3.61	-0.26
Other Income	-6.02	-6.02	- 6.17	-0.15
Subtotal Income	-96.07	-96.07	- 103.15	-7.08
Housing Capital Charges	40.90	40.90	39.19	-1.71
Responsive Repairs & Safety	20.40	32.32	26.86	6.46
Centralised Directorate expenditure	11.30	11.31	13.31	2.01
Tenancy & Resident Engagement	10.27	10.29	10.33	0.06
Tenant Support Services	6.70	6.75	6.76	0.06
Concorde, Sycamore & Windsor- Expenditure	3.40	3.36	3.59	0.19
Asset Planning	1.60	1.64	1.64	0.04
Capital Delivery (Homes & Schools)	1.50	1.47	1.47	-0.03
Subtotal Expenditure	96.07	108.03	103.15	7.08
Total HRA Net Expenditure	0.00	11.96	0.00	0.00

4.2 Income

- 4.2.1 The main source of income to the HRA is tenant rental income which funds approximately 90% of annual revenue income to the account. The other 10% of income to the income and expenditure account comes from non-dwelling rent and service charges.
- 4.2.2 Rental income and tenants service charges have been increased by 7.7% from April 2024. This is based on application of September 2023 CPI +1% in this, the final year of the social housing rent policy.
- 4.2.3 A prudent approach has been assumed for all other income streams with estimates at the current budget rates.
- 4.2.4 There is a total £7.1m increase on the income streams for the 2024-25 budget. The gain is required to fund the increased revenue expenditure.

4.3 Revenue Expenditure

- 4.3.1 Responsive Repairs growth of 33% is proposed. The increase in budget allocation is required to fund the growing demand on the repairs service, evidenced by the current year forecast overspend of £12m.
- 4.3.2 The repairs growth is targeted at five key areas:
1. Responding to the increase in repairs requests that have been received from tenants as a consequence of the historical under-investment in the stock including insufficient growth in responsive repair budgets as well as historic legacy issues identified since the implementation of the new contracts in August 2023.
 2. Damp and mould treatments and the significant work being undertaken to tackle our response to reports.
 3. Enhancing the capacity to meet the needs of The Social Housing (Regulation) Act 2023, including the changes from “Awaab’s Law”. New rules will form part of the tenancy agreement under which residents can hold landlords to account if they fail to provide a “decent” home.
 4. The ongoing work to manage the legacy voids and ensure that we are turning around our stock to a good lettable standard in a timely way.
 5. Tackling the disrepair and legacy disrepair cases that are yet to be addressed. The increased budget is made with a commitment to clear the current backlog within 18 months.
- 4.3.3 We are looking at staffing structures, with potential growth in specific areas, to ensure we have the capacity to achieve the key aims in the Housing Strategy and to deliver the housing service in line with resident expectations and performance targets set by the Housing Improvement Board.

5 HRA CAPITAL BUDGET 2024-25

5.1 Capital Expenditure

- 5.1.1 Table 2 below sets out a detailed 1-year programme for 2024-25 and Appendix D sets out what makes up the overall major works budget of £23m. The major capital works for 2024-25 have been determined based on prior year activity levels whilst we await the outcomes of the stock condition surveys. Work is ongoing to ensure that the data from the survey outcomes are included in an asset management database, which will form the basis for the new Asset Management Strategy.
- 5.1.2 This updated Asset Management Strategy will allow for a more developed capital budget to be set and will inform future iteration of the HRA business plan. For the purposes of ensuring sufficient provision for known areas of spend a high level capital budget has been set for the years 2025-26 onwards.

Table 2 Capital Programme Budget						
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Adaptations	1,200,000	1,000,000				
Building Safety	1,384,650	5,255,000	40,300,000	20,000,000	8,515,000	-
Environmental work	-	-				
M&E Major Repairs and Improvements	6,208,354	5,245,000				
M&E Building Safety	2,350,263	3,150,000	3,150,000	3,150,000	3,150,000	3,150,000
Decarbonisation	20,965	1,000,000				
Programmed Renewals	7,214,577	8,050,000	32,026,500	25,749,000	28,015,028	28,015,028
Projects	2,294,795	2,575,000				
Acquisitions	-	2,000,000	-	-	-	-
Regina Road	1,500,000	14,105,000	14,105,000	14,105,000	14,105,000	14,105,000
Repairs referrals	8,800,000	8,600,000	7,500,000	7,500,000	7,500,000	7,500,000
Staffing Costs	2,200,000	3,200,000				
Surveys and data collection	797,644	1,055,000				
El referrals	1,418,653	2,000,000				
	35,389,900	57,235,000	97,081,500	70,504,000	61,285,028	52,770,028

5.1.3 The budget increases in 2024-25 and then significant further increases from 2025-26 over the next three years. The high-level budget in future years can be summarised into provision for:

Building Safety:

- Following the tragic fire at Grenfell Tower significant new emphasis has been rightly placed on preventative works to meet fire safety requirements. There is a requirement to comply with the Fire Safety and Building Safety Acts and Croydon is undertaking the requisite surveys and building safety case reviews to ensure compliance. This work will continue in 2024-25 and future budgets at a high level have been set to meet the needs of the outcomes of those surveys to ensure our compliance with the Building Safety Act.
- Awaab’s Law is also embedded in the Act and follows the death of 2-year old Awwab Ishak in 2020 due to damp and mould exposure in his Rochdale home. Croydon is addressing this within its responsive repairs revenue budget (see 4.3.2) Provision for a capital element to these costs has also been made.
- From 2025-26 onwards a regeneration programme will reflect the outcomes of the Fire and Building Safety surveys.
- An investment programme is required to redevelop buildings within the HRA stock in particular a review of those assets where the Net Present Value (NPV) indicates that they are of an age, type of construction or condition that responsive repairs are no longer value for money. The expectation is that the outcome of surveys on other high-rise buildings and blocks will inform this element of the programme. An allocation has been included to support future regeneration works.
- A housing capacity programme to review HRA assets and develop their full potential, for example further development on an existing site.

Programmed Works:

- The detailed 2024-25 programme of £23m is included in Appendix C. As stated in 5.1.3 we are awaiting the outcomes of the stock condition surveys, the combined budget of £32m proposed for 2025-26 will be further broken down into individual projects and delivery plans.
- In developing the future programmed works spend will also reflect a housing capacity programme to review HRA assets and develop their full potential, for example further development on an existing site.

Regina Road:

- The current development plan at Regina Road is incorporated into the business plan at a delivery cost of £103m in accordance with the Cabinet approved budget. A prudent approach to grant allocation has been assumed and loss of rental income on the properties over five years is incorporated into the plan. The repairs and future capital maintenance costings have also been reviewed.

Acquisitions:

- For 2024-25 an allocation of £2m has been included to be used in conjunction with the Right To Buy (RTB) receipts to acquire up to 20 new properties. 20 units is reflecting the government cap on the use of RTB receipts usage in any financial year. The RTB receipts can be used to fund 40% of the cost of the home, the remaining 60% of the costs cannot include other forms of grant. Croydon has £43m of receipts available to spend to fund new homes. In order to avoid returning any unused receipts to DLUHC a full programme of acquisitions is required.
- In addition a review of Section 106 and the community infrastructure levy (CIL) will be carried out to ensure that maximisation of grants is carried out. S106 and CIL funds can be used to support the provision of services and infrastructure as well as affordable housing.

Sheltered and Extra Care Pilot:

- There are plans to development with Adults Social Care team a pilot for the HRA tenants sheltered care units and extra care facilities. This is a cross council project that will provide cost and care quality benefits for tenants.

6. HRA 30 YEARS BUSINESS PLAN KEY HEADLINES

6.1 Five Year Budget

6.1.1 The budget is presented in an alternative manner in the Business Plan see table 3 but is based on the 2024-25 Budget outlined above.

Description	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Dwelling rents	85,422,000	91,568,496	93,625,929	95,386,792	97,102,300	99,043,860
Non-dwelling rents	1,008,000	1,010,223	1,035,479	1,056,188	1,077,312	1,098,858
Service charge income	6,679,000	7,035,279	7,211,161	7,355,384	7,502,492	7,652,542
Other income and contributions	2,979,000	3,122,127	3,200,180	3,264,184	3,329,467	3,396,057
Total income	96,088,000	102,736,125	105,072,748	107,062,548	109,011,571	111,191,317
Repairs & maintenance	23,448,000	27,950,337	28,578,547	23,674,439	24,093,518	24,575,629
Management (incl RRT)	30,990,000	35,778,293	36,672,750	35,315,205	36,021,509	36,741,940
Bad debts	750,000	750,856	767,621	782,071	796,074	812,107
Dwelling Depreciation	14,729,000	14,729,000	15,094,175	15,393,619	15,699,051	16,010,592
Debt management	162,000	166,000	170,150	173,553	177,024	180,565
Total costs	70,079,000	79,374,486	81,283,244	75,338,887	76,787,176	78,320,832
Net income from services	26,009,000	23,361,638	23,789,505	31,723,662	32,224,395	32,870,485
Interest payable	(12,231,000)	(12,237,402)	(12,489,732)	(14,876,130)	(16,769,739)	(18,137,187)
Net income/expenditure before appropriations	13,778,000	11,124,236	11,299,772	16,847,532	15,454,656	14,733,298
Revenue contributions to capital	(13,778,000)	(12,196,493)	(11,299,772)	(16,652,782)	(15,256,011)	
Allocation of reserves to capital	(4,736,890)	(22,412,151)	(24,035,268)	0	0	
Net HRA Surplus/Deficit	(4,736,890)	(23,484,408)	(24,035,268)	194,749	198,645	14,733,298
HRA Balance brought forward	62,035,368	57,298,478	33,814,070	9,778,802	9,973,552	10,172,197
HRA surplus/(deficit)	(4,736,890)	(23,484,408)	(24,035,268)	194,749	198,645	14,733,298
HRA Balance carried forward	57,298,478	33,814,070	9,778,802	9,973,552	10,172,197	24,905,495

*RRT – Rent, Rates and Taxes

6.1.2 Interest payable remains at the current levels as the funding of the capital programmes is met from the use of existing HRA Reserves of £57m in the first instance. There is no intention to borrow but to use existing reserves. The rationale for this approach is due to the current higher interest rates. The cost of borrowing even utilising the preferential HRA Public Works Loan Board (PWLB) rates remains high in the region of 5%.

6.2 Financial Viability

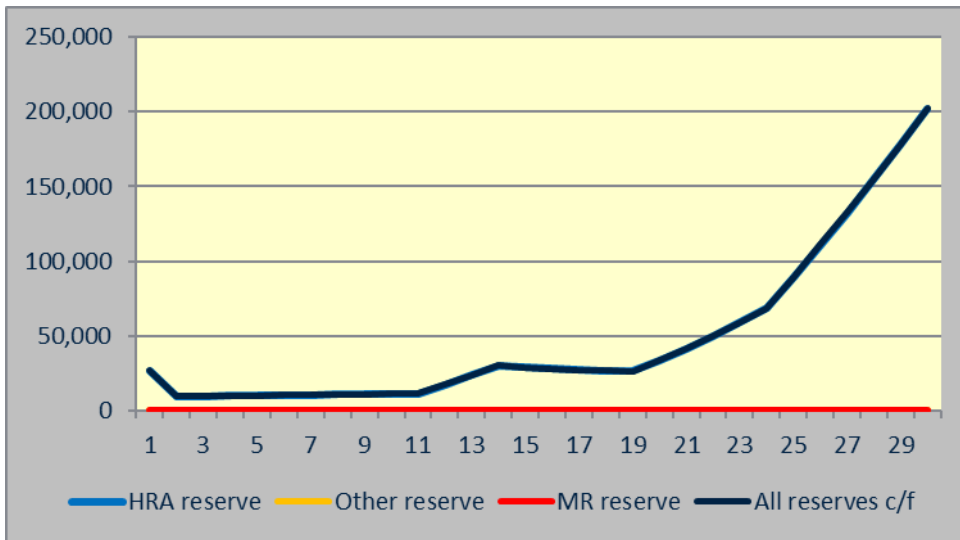
6.2.1 This report sets out a financially viable 30 Year Business Plan. It reflects a number of assumptions set out above and will require updating once the results of the extensive stock condition surveys are known and the Asset Management Strategy has been developed.

6.2.2 A minimum balance of £9.5m within reserves (annually inflated) has been assumed for the Business Plan. The assumption allows for the equivalent of 1.55 months of

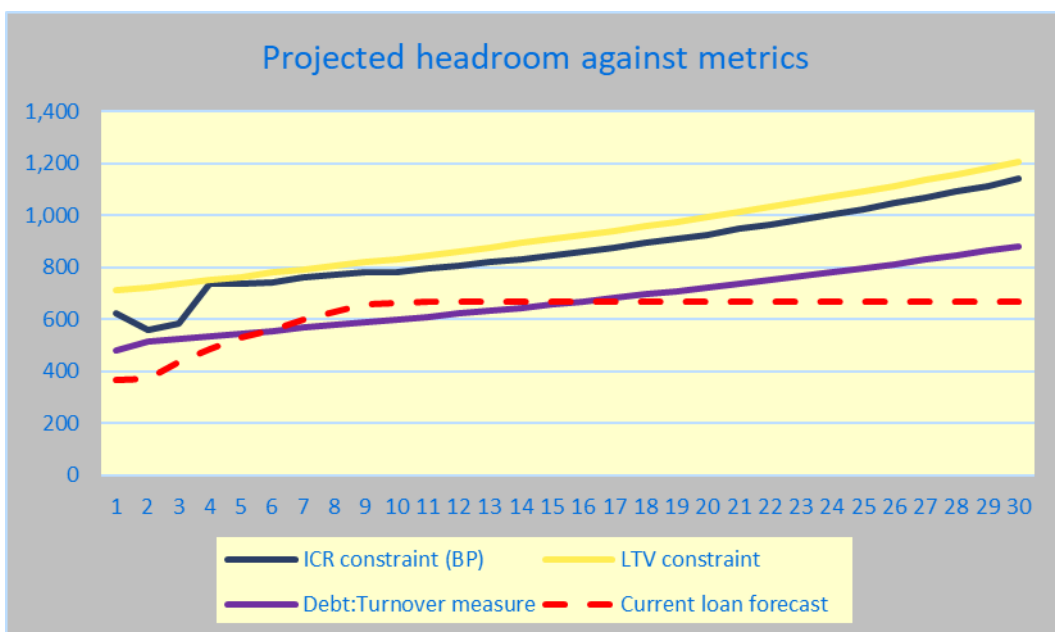
expenditure. A benchmark of other authorities shows an average of 1.5 months expenditure in reserves.

6.2.3 Chart 1 demonstrates that the HRA balance can be maintained at or above its minimum level for the duration of the plan. From year 19 onwards, as a result of a reduction in the expenditure within the provisional asset management strategy, revenue balances begin to accrue in the plan – up to c£202m over 30 years.

Chart 1 – Projected HRA Balances



6.2.4 The opening CFR (Capital Finance Requirement) is £365m of which £333m is funded from borrowing. Additional borrowing will be required with borrowing peaking in year 11 at £669m from the opening £365m. This is within the projected headroom for the HRA and is demonstrated in Chart 2 & the code identifiers.



	Ratio	Values	Meaning
ICR	<i>Interest Rate Cover</i>	@ min 1.25	ratio of operating surplus divided by interest costs
LTV	<i>Loan to Value</i>	@ max 65%	debt to properties
Debt:T/Over	Debt to Turnover	@ max 5:0	

6.3 Summary

This report sets out the latest position in the 30-year HRA Business Plan and identifies some pressures on the plan.

Growth of 33% in the responsive repairs budget is proposed (4.3.1) to fund an increase in repairs demand caused by a number of factors. These include:

- A historical underinvestment in the Council's housing stock including insufficient growth in responsive repair budgets over several years.
- An increase in the reporting of damp and mould following the publicity caused by the tragic death of Iskak Awaab in Rochdale of respiratory disease caused by damp and mould in his home.
- An increase in Legal Disrepair claims in part caused by the above.

Following the fire at Grenfell Tower in 2017 boroughs like Croydon are required to be compliant with the Building Safety Act. Whilst the initial costs relating to surveys and development of Building Safety cases are included in the 2023/24 budgets, the results of surveys will require a more developed Capital Programme to be developed in Summer 2024. This increase in the programme, once established, will inform a later iteration of the HRA Business Plan to follow in 2024.

This HRA Business Plan has more focus on the first five years where there is more certainty on costs, demands and pressures and demonstrates that these investment proposals are fundable, subject to the assumptions within the plan, and that the HRA remains sustainable and viable over the 30 years period.

The budget has been set with the most accurate data available reflecting the significant pressures on repairs and maintenance costs. To manage these budgets monthly monitoring through the financial performance reporting will be carried out and reported. If required a reprofiling of budgets will be made. A full budget review will be carried out following the outcomes of the Asset Management Strategy due to Cabinet in summer 2024.

7. ALTERNATIVE OPTIONS CONSIDERED

7.1 The plan modelled a number of scenarios based on a range of assumptions as detailed in Appendix C section 3, thus providing a level of assurance for the basis of the current Business Plan model.

7.2 The plan shows a varied impact to both positive and negative sensitivities noting that consideration should be given to the level of residual debt that the HRA has at year 30, although there is no statutory requirement for repayment.

8. CONSULTATION

- 8.1 A Tenants Survey was launched on 6 November 2023. The survey requested respondents to prioritise services that matter most to them. The survey closed on 15 December 2023 with over 830 responses received. Tenants have been clear they want to see improvements to services provided and have prioritised repairs and planned maintenance, action to tackle anti-social behaviour, greater emphasis on caretaking functions, improvement to grounds maintenance and tackling parking violations on estates.

7. CONTRIBUTION TO COUNCIL PRIORITIES

- 7.1 The HRA Business Plan and Budget Update 2024-25 report supports the Mayor's Business Plan 2022-2026 objective one "The council balances its books, listens to residents and delivers good sustainable services."
- 7.2 The report also supports the Council to achieve outcome four of the Mayor's Business Plan 2022-26 to "Invest in council homes to drive up standards and develop a more responsive and effective housing service."

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

- 8.1.1 This report sets out the proposed 2024-25 Housing Revenue Account (HRA) revenue budget, planned five years revenue budget for 2024-29 and the planned capital budget for 2024-29. These are based on the current 30 years Business Plan which will be updated next year based on enhanced stock conditions surveys which are underway.
- 8.1.2 The capital budget determines potential borrowing requirements and prudential borrowing indicators as part of the Council's Medium Term Financial Strategy and Treasury Management Strategy. There is no new borrowing planned for 2024-25, with HRA reserves being used to fund capital expenditure which isn't funded through other sources of external funding.
- 8.1.3 The HRA is currently under-borrowed when compared to the liability benchmark, owing to historic under-investment in the housing stock. As investment is increased over the coming years, it will be important to monitor the level of HRA reserves and continued adherence to the prudential code liability benchmark.

Comments approved by Allister Bannin, Director of Finance (Deputy s151), 18/01/2024.

8.2 LEGAL IMPLICATIONS

- 8.2.1** The Council’s duties in relation to the HRA are set out in Part VI of the Local Government and Housing Act 1989. In particular, Section 76 of the 1989 Act places a duty on the Council to secure that the HRA for any year does not show a debit balance.
- 8.2.2** Section 76 of the 1989 Act requires the Council in the January or February preceding the relevant year to formulate proposals relating to (a) income from rents and other charges, and (b) the expenditure on repairs, maintenance, supervision and management of its houses. In formulating these proposals, the Council must secure that, on implementation, the HRA will not show a debit balance, assuming the following: a. that the best assumptions that they are able to make at that time as to all matters which may affect the amounts falling to be credited or debited to the HRA in the year prove to be correct; and, b. that the best estimates that they are able to make at that time of the amounts which, on those assumptions, will fall to be so credited or debited, also proves to be correct.
- 8.2.3** The Council is further obliged to keep the proposals referred to in this report under review to see if the requirement to avoid a debit balance continues to be satisfied during the year. In the event that the Council, on review, determines that this requirement will not be satisfied then the Council is, by virtue of Section 76(6), required to “make such revisions of the proposals as are reasonably practical towards securing that the proposals (as so revised) satisfy those requirements”. The duty in relation to “best assumptions and estimates” referred to above applies equally to such revised proposals.

Comments approved by Sandra Herbert, Head of Litigation & Corporate Law on behalf of the Director of Legal Services and Monitoring Officer. (Date 15/12/2023)

8.3 EQUALITIES IMPLICATIONS

- 8.3.1** Under the Public Sector Equality Duty of the Equality Act 2010, decision makers must evidence consideration of any potential impacts of proposals on groups who share the protected characteristics, before decisions are taken. This includes any decisions relating to how authorities act as employers; how they develop, evaluate and review policies; how they design, deliver and evaluate services, and also how they commission and procure services from others.
- 8.3.2** Section 149 of the Act requires public bodies to have due regard to the need to:
- Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
 - Foster good relations between people who share a protected characteristic and people who do not share it.
- 8.3.3** An initial Equality Analysis has been undertaken which shows that the work proposed could have some potential negative impact on some of the protected

groups. It also shows that the service is putting in place measures to mitigate against the potential negative impact.

Comments approved Naseer Ahmad on behalf of the Equality Programme Manager, 17/01/2024.

9. APPENDICES

- A. HRA 30 Year Business Plan*
- B. Savills Report*
- C. HRA Capital Programme of Major Works*
- D. Equality analysis form - HRA Business Plan 2024-25*

Appendix A – HRA Business Plan

Year Financial Year	1 2023.24	2 2024.25	3 2025.26	4 2026.27	5 2027.28	6 2028.29	7 2029.30	8 2030.31	9 2031.32
HRA 30 YEAR SUMMARY									
Dwelling rents	85,380,387	91,568,496	93,625,929	95,386,792	97,102,300	99,043,860	101,046,388	102,859,842	104,716,695
Non-dwelling rents	1,008,000	1,010,223	1,035,479	1,056,188	1,077,312	1,098,858	1,120,835	1,143,252	1,166,117
Service charge income	6,679,000	7,035,279	7,211,161	7,355,384	7,502,492	7,652,542	7,805,593	7,961,704	8,120,938
Other income and contributions	2,979,000	3,122,127	3,200,180	3,264,184	3,329,467	3,396,057	3,463,978	3,533,257	3,603,923
Total income	96,046,387	102,736,125	105,072,748	107,062,548	109,011,571	111,191,317	113,436,793	115,498,056	117,607,673
Repairs & maintenance	23,448,000	27,950,337	28,578,547	23,674,439	24,093,518	24,575,629	25,024,355	25,504,075	25,984,276
Management (incl RRT)	30,990,000	35,778,293	36,672,750	35,315,205	36,021,509	36,741,940	37,476,778	38,226,314	38,990,840
Bad debts	749,688	750,856	767,621	782,071	796,074	812,107	828,660	843,445	858,587
Dwelling Depreciation	14,729,000	14,729,000	15,094,175	15,393,619	15,699,051	16,010,592	16,330,804	16,657,420	16,990,568
Debt management	162,000	166,000	170,150	173,553	177,024	180,565	184,176	187,859	191,617
Total costs	70,078,688	79,374,486	81,283,244	75,338,887	76,787,176	78,320,832	79,844,773	81,419,114	83,015,888
Net income from services	25,967,698	23,361,638	23,789,505	31,723,662	32,224,395	32,870,485	33,592,021	34,078,942	34,591,785
Interest payable	-12,231,000	-12,391,589	-13,917,356	-16,373,922	-18,330,591	-19,758,082	-20,955,435	-22,142,148	-23,175,271
Interest income	0	0	0	0	0	0	0	0	0
Net income/expenditure before appropriations	13,736,698	10,970,050	9,872,148	15,349,740	13,893,804	13,112,403	12,636,585	11,936,794	11,416,514
Set aside for debt repayment	0	0	0	0	0	0	0	0	0
Revenue contributions to capital	-18,514,890	-28,112,575	-9,634,648	-15,154,990	-13,695,159	-12,909,785	-12,429,915	-11,725,990	-11,201,495
Allocation to/from other reserves	0	0	0	0	0	0	0	0	0
Other appropriations	0	0	0	0	0	0	0	0	0
Net HRA Surplus/Deficit	-4,778,192	-17,142,525	237,500	194,750	198,645	202,618	206,670	210,804	215,020
HRA Balance brought forward	31,420,717	26,642,525	9,500,000	9,737,500	9,932,250	10,130,895	10,333,513	10,540,183	10,750,987
HRA surplus/(deficit)	-4,778,192	-17,142,525	237,500	194,750	198,645	202,618	206,670	210,804	215,020
HRA Balance carried forward	26,642,525	9,500,000	9,737,500	9,932,250	10,130,895	10,333,513	10,540,183	10,750,987	10,966,007

Year	9	10	11	12	13	14	15	16	17	18
Financial Year	2031.32	2032.33	2033.34	2034.35	2035.36	2036.37	2037.38	2038.39	2039.40	2040.41
HRA 30 YEAR SUMMARY										
Dwelling rents	104,716,695	106,618,361	108,566,308	110,561,867	112,606,600	114,702,126	116,849,923	119,051,715	121,309,287	123,624,279
Non-dwelling rents	1,166,117	1,189,439	1,213,228	1,237,493	1,262,243	1,287,487	1,313,237	1,339,502	1,366,292	1,393,618
Service charge income	8,120,938	8,283,357	8,449,024	8,618,005	8,790,365	8,966,172	9,145,496	9,328,406	9,514,974	9,705,273
Other income and contributions	3,603,923	3,676,001	3,749,521	3,824,512	3,901,002	3,979,022	4,058,602	4,139,774	4,222,570	4,307,021
Total income	117,607,673	119,767,159	121,978,082	124,241,876	126,560,210	128,934,808	131,367,258	133,859,397	136,413,123	139,030,192
Repairs & maintenance	25,984,276	26,466,965	26,982,543	27,485,451	27,999,825	28,525,964	29,064,176	29,614,779	30,178,098	30,754,469
Management (incl RRT)	38,990,840	39,770,657	40,566,070	41,377,392	42,204,939	43,049,038	43,910,019	44,788,219	45,683,984	46,597,663
Bad debts	858,587	874,098	889,989	906,273	922,961	940,068	957,606	975,589	994,032	1,012,949
Dwelling Depreciation	16,990,568	17,330,380	17,676,987	18,030,527	18,391,137	18,758,960	19,134,139	19,516,822	19,907,159	20,305,302
Debt management	191,617	195,449	199,358	203,345	207,412	211,560	215,791	220,107	224,509	228,999
Total costs	83,015,888	84,637,548	86,314,947	88,002,988	89,726,275	91,485,590	93,281,732	95,115,517	96,987,782	98,899,383
Net income from services	34,591,785	35,129,611	35,663,134	36,238,888	36,833,935	37,449,218	38,085,527	38,743,880	39,425,340	40,130,808
Interest payable	-23,175,271	-23,798,864	-24,011,446	-24,109,713	-24,108,570	-24,106,126	-24,099,107	-24,099,107	-24,087,498	-24,054,214
Interest income	0	0	0	0	0	0	0	0	0	0
Net income/expenditure before appropriations	11,416,514	11,330,747	11,651,688	12,129,175	12,725,365	13,343,092	13,986,419	14,644,773	15,337,842	16,076,594
Set aside for debt repayment	0	0	0	0	0	0	0	0	0	0
Revenue contributions to capital	-11,201,495	-11,111,427	-11,427,982	-6,165,827	-6,377,273	-6,756,289	-15,190,275	-15,588,063	-16,347,674	-16,668,540
Allocation to/from other reserves	0	0	0	0	0	0	0	0	0	0
Other appropriations	0	0	0	0	0	0	0	0	0	0
Net HRA Surplus/Deficit	215,020	219,320	223,707	5,963,348	6,348,092	6,586,803	-1,203,856	-943,290	-1,009,831	-591,945
HRA Balance brought forward	10,750,987	10,966,007	11,185,327	11,409,033	17,372,382	23,720,474	30,307,277	29,103,421	28,160,132	27,150,300
HRA surplus/(deficit)	215,020	219,320	223,707	5,963,348	6,348,092	6,586,803	-1,203,856	-943,290	-1,009,831	-591,945
HRA Balance carried forward	10,966,007	11,185,327	11,409,033	17,372,382	23,720,474	30,307,277	29,103,421	28,160,132	27,150,300	26,558,355

Year	19	20	21	22	23	24	25	26	27	28	29	30
Financial Year	2041.42	2042.43	2043.44	2044.45	2045.46	2046.47	2047.48	2048.49	2049.50	2050.51	2051.52	2052.53

HRA 30 YEAR SUMMARY

Dwelling rents	125,998,380	128,433,546	130,931,804	133,495,252	136,125,832	138,825,542	141,596,683	144,441,635	147,362,612	150,361,895	153,442,092	156,605,640
Non-dwelling rents	1,421,490	1,449,920	1,478,918	1,508,497	1,538,667	1,569,440	1,600,829	1,632,845	1,665,502	1,698,812	1,732,789	1,767,444
Service charge income	9,899,379	10,097,366	10,299,314	10,505,300	10,715,406	10,929,714	11,148,308	11,371,274	11,598,700	11,830,674	12,067,287	12,308,633
Other income and contributions	4,393,162	4,481,025	4,570,645	4,662,058	4,755,299	4,850,405	4,947,413	5,046,362	5,147,289	5,250,235	5,355,239	5,462,344
Total income	141,712,410	144,461,857	147,280,681	150,171,107	153,135,204	156,175,102	159,293,234	162,492,116	165,774,103	169,141,616	172,597,408	176,144,061

Repairs & maintenance	31,344,235	31,947,750	32,565,377	33,197,490	33,844,471	34,506,716	35,184,628	35,878,624	36,589,132	37,316,592	38,061,454	38,824,182
Management (incl RRT)	47,529,617	48,480,209	49,449,813	50,438,809	51,447,586	52,476,537	53,526,068	54,596,590	55,688,521	56,802,292	57,938,338	59,097,104
Bad debts	1,032,355	1,052,264	1,072,695	1,093,664	1,115,189	1,137,285	1,159,972	1,183,271	1,207,198	1,231,775	1,257,021	1,282,959
Dwelling Depreciation	20,711,408	21,125,636	21,548,149	21,979,112	22,418,694	22,867,068	23,324,409	23,790,897	24,266,715	24,752,050	25,247,091	25,752,032
Debt management	233,579	238,251	243,016	247,876	252,834	257,891	263,048	268,309	273,676	279,149	284,732	290,427
Total costs	100,851,194	102,844,110	104,879,050	106,956,952	109,078,773	111,245,496	113,458,126	115,717,691	118,025,243	120,381,857	122,788,635	125,246,704

Net income from services	40,861,216	41,617,746	42,401,631	43,214,156	44,056,431	44,929,605	45,835,108	46,774,425	47,748,860	48,759,759	49,808,773	50,897,357
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Interest payable	-24,059,717	-24,059,671	-23,985,013	-23,978,860	-23,967,629	-23,965,409	-23,960,676	-23,958,166	-23,958,166	-23,958,166	-23,958,166	-23,930,160
Interest income	0	0	0	0	0	0	0	0	0	0	0	0
Net income/expenditure before appropriations	16,801,499	17,558,075	18,416,618	19,235,296	20,088,802	20,964,197	21,874,432	22,816,259	23,790,694	24,801,593	25,850,606	26,967,197

Set aside for debt repayment	0	0	0	0	0	0	0	0	0	0	0	0
Revenue contributions to capital	-16,999,740	-10,341,265	-10,563,061	-10,741,697	-11,139,958	-11,434,452	-989,771	-1,101,660	-2,330,482	-2,482,115	-2,643,548	-2,857,111
Allocation to/from other reserves	0	0	0	0	0	0	0	0	0	0	0	0
Other appropriations	0	0	0	0	0	0	0	0	0	0	0	0
Net HRA Surplus/Deficit	-198,242	7,216,810	7,853,557	8,493,599	8,948,843	9,529,745	20,884,661	21,714,600	21,460,212	22,319,478	23,207,059	24,110,086

HRA Balance brought forward	26,558,355	26,360,114	33,576,923	41,430,480	49,924,079	58,872,923	68,402,667	89,287,328	111,001,928	132,462,140	154,781,618	177,988,677
HRA surplus/(deficit)	-198,242	7,216,810	7,853,557	8,493,599	8,948,843	9,529,745	20,884,661	21,714,600	21,460,212	22,319,478	23,207,059	24,110,086
HRA Balance carried forward	26,360,114	33,576,923	41,430,480	49,924,079	58,872,923	68,402,667	89,287,328	111,001,928	132,462,140	154,781,618	177,988,677	202,098,762

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Housing Revenue Account Business Plan and Capacity Update

Draft Report v2 (updated for revised budgets)
11 December 2023

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1. Introduction

1.1. Background

The London Borough of Croydon (LBC, the Council) have appointed Savills to support officers in the production of the annual Housing Revenue Account (HRA) Business Plan.

This builds upon the work undertaken last year in establishing a fully refreshed HRA Business Plan. LBC, like many authorities, need to adopt a new approach to setting out the financial capacity and capability of the HRA to deliver on its objectives towards refurbishment, investment, regeneration and new supply. Consideration of a new approach is also consistent with the requirement for the publication of Prudential Indicators specific to the HRA following their reintroduction alongside the abolition of the debt cap.

Savills have therefore worked with officers to update the HRA Business Plan that was produced in 2022.23, in respect of projected rent increases, uplifts to repair costs following the re-letting of the contracts that provide this service, and to take on the results of last year's initial stock condition survey combined with the results of work undertaken by officers to establish projected costs of energy efficiency works and to undertake building safety.

In the coming months, the Council will develop a new Asset Management Strategy that will inform this plan and which will reflect the results of ongoing, more extensive, stock condition surveys. Therefore, it is highly likely that future versions of this plan from 2025.26 will incorporate a different profile in terms of stock investment.

This plan is based on the 2023.24 budget and the draft for 2024.25, proposed with anticipated increases predominately for repairs, which are greater than those originally forecast. It also incorporates the provisional capital programme for 2024.25 and subsequent years.

At this time, the plan excludes any detailed estate regeneration or further acquisition or development programmes. However, overall provision has been made for estimates for both works to the LPS blocks and the Regina Road estate regeneration.

1.2. Factors the Sector is Facing

When considering the HRA business plan and its current resources, we must be mindful of the current and future challenges that the social housing sector faces.

The following areas are not exclusive, but are the key ones that will impact upon both staffing and financial resources.

Building Safety

Since the tragic consequences of Grenfell Tower, steps have been made by Government to ensure that building and fire safety is at the forefront of social housing investment and delivery. This has increased the amount of reporting that is required and where the point of responsibility over how and what data is held. For LBC this has meant implementing new fire safety measures, which not only adds to capital investment but requires ongoing monitoring and maintenance. Recovery for these costs is also difficult from leaseholders due to current lease arrangements. Furthermore additional revenue resource is required in relation to ensuring compliance.

Enhanced Regulation and Tenant Satisfaction Measures

The Social Housing (Regulation) Act has introduced enhanced powers for the Regulator for Social Housing to monitor compliance with a refreshed set of consumer standards, and has also introduced statutory collections and reporting for Tenant Satisfaction Measures. For all local authorities with stock, Croydon will in future be subject to an inspection by the Regulator which will provide a grading as to the compliance the Council is achieving against these standards.

1.3. Approach

This report sets out the work we have undertaken as follows:

1. The results of the latest HRA business plan model in the light of market conditions, policy initiatives and other factors.
2. Outputs from financial modelling and sensitivity testing (where appropriate) to establish alternative an alternative delivery scenario for the business plan.
3. The impact to the metrics and indicators which can form the basis of future management and planning for the HRA.

2. Business plan model

2.1. Introduction

Our latest version of the HRA Business Plan model has been provided and populated in liaison with officers in order to progress the 2024.25 budget process and forms the basis of this report.

It will continue to have revisits in respect of updates to the asset management strategy and any forthcoming estate regeneration schemes as further details become available from those included within this plan.

2.2. Overview of methodology and assumptions

Overall

The plan is based on the following overarching principles:

- Balanced to the 2023.24 latest projections for the HRA
- 29 year projections from 2024.25 based on the provisional 2024.25 budget
- Core inflation projected at 2.0% thereafter with exceptions as detailed below
 - 2.5% for April 2025
- Rents increasing at CPI per annum with the exception of the following:
 - 7.7% April 2024 (on the basis of the current final year of the social housing rent policy, applying September 2023 CPI +1%)
 - CPI only beyond April 2024 in the absence of any future guidance to be prudent
- Depreciation provision increasing at CPI throughout
- Due to the reletting of new revenue repairs contracts and the impact of inflation, damp and mould and disrepair claims the forecast expenditure for 2024.25 increases by £4.5 million, some 19.2%. However, this is modelled as a short-term impact assuming that capital investment will alleviate such pressures in the medium term
- Maintenance of the existing tenanted stock (subject to Right to Buy sales and excluding estate regeneration) is modelled at a total of £873.1million over the 30 years from 2023.24
- Provision of £103million for the Regina Road estate regeneration (with grant contributions of c£40.5million) and a 7 year programme totalling £55.6million for works to LPS blocks
- The inclusion of 38 loans directly attributable to the HRA, that are at fixed interest rates for varying periods.

The overall methodology within the plan is also founded on net rental income servicing the operational expenditure, interest charges, and where required, additional borrowing to finance investment to the stock and loan refinancing when existing loan facilities mature.

The following paragraphs provide more detail on the key elements of the plan.

Rents

The rents contained within the modelling are consistent with the current social rent policy where the increase applied to April 2024 is restricted to 7.7% (September CPI of 6.7% + 1%).

Rent levels, as an average for 2024.25, will be £133.36 per week on a 50 week basis and £205.34 for the 232 tenancies on affordable rents.

The rent policy moving forward will be consulted on by government during 2024 in respect of providing more certainty of rent increases for April 2025 and beyond. At this stage we have made the prudent assumption that rent for April 2025 and beyond will increase by CPI only.

Void rates of 1.66% and Bad Debt provision of 0.84% have been modelled throughout the plan.

Service Charges

In respect of tenants and increase for 2024.25 of 7.7% has been applied, matching the rent increase levels, which still results in under-recovery of costs. We have not modelled any catch-up in terms of charges into future years in order to ensure full recovery of costs. We have modelled service charge increases matching rent increases moving forward.

Leaseholder service charges (for non-capital services) remain at £2.052million.

Other Income

Garage income remains static at £0.969million.

There are a range of other internal recharges between the HRA and General and with the service itself that have been reviewed resulting in an increase, broadly 5.7%, of budgeted income for 2023.24.

Management

In overall terms management costs increase by 7.4%, similar to rent increases. Short and long-term growth items have been included within the modelling to cover team growth and legal costs following dis-repair claims.

Repairs

The forecast position for 2024.25 will see significant growth building on the procurement of new repairs contracts but also the cost of ensuring compliance with building safety, disrepair claims and dealing with damp and mould cases. It is anticipated that costs will return to similar levels to 2023.24 after two years.

Right to Buy sales volumes

The level of sales is modelled at 50 per annum over the next 5 years and then reduces by 2 per annum which accounts for a stock loss of 6.3% over the plan period. It might be expected that LBC will see further reductions in sale volumes on account of stability with house prices but also the availability and affordability of mortgages for prospective purchasers, but the approach taken is prudent. We have made adjustments to both rents, repairs and future investment expenditure to reflect these stock losses.

The HRA also benefits from the receipts from right to buy sales, for those not ring-fenced for new delivery, and these are utilised to fund capital works for the existing stock. This approach, will also be subject to annual review in respect of considering alternative uses.

Capital Works to Existing Properties

In previous iterations capital expenditure forecast were based on the asset management database. However, this was deemed not up to date and did not include provisions for building safety works and energy efficiency improvements.

In order to provide an improved estimate, ahead of the development of a new asset management strategy and comprehensive stock condition survey, Savills were commissioned to provide a 30-year forecast, in conjunction with officers, whilst basing the requirements on a 5% sample survey. This will provide the basis for both this plan but also the new asset management strategy and the recently commissioned stock condition survey that will extend the sample size significantly.

Table 2.1 – Long-Term Stock Investment Requirements

Element Group	Year 1	Years 2 to 3	Years 4 to 5	Years 6 to 10	Years 11 to 15	Years 16 to 20	Years 21 to 25	Years 26 to 30	Total
Catch Up Repairs	£972,438	£0	£0	£0	£0	£0	£0	£0	£972,438
Kitchens	£0	£2,050,000	£5,535,000	£32,800,000	£19,577,500	£7,892,500	£7,585,000	£32,800,000	£108,240,000
Bathrooms	£164,000	£246,000	£3,854,000	£6,724,000	£6,396,000	£24,518,000	£13,366,000	£3,936,000	£59,204,000
Electrics	£254,200	£305,450	£1,834,750	£6,849,050	£6,586,650	£24,294,550	£12,787,900	£14,659,550	£67,572,100
Heating	£0	£358,750	£11,654,250	£15,190,500	£4,223,000	£21,473,750	£22,560,250	£3,403,000	£78,863,500
Roofs	£0	£209,100	£7,032,525	£18,600,675	£11,062,825	£8,764,775	£17,881,125	£4,281,425	£67,832,450
Walls	£0	£0	£926,600	£45,307,050	£22,875,950	£9,288,550	£10,252,050	£1,143,900	£89,794,100
Windows and Doors	£71,750	£597,575	£5,207,000	£19,905,500	£12,156,500	£14,884,025	£9,787,725	£4,996,875	£67,606,950
External Areas	£76,875	£47,663	£5,734,363	£15,123,875	£4,485,400	£4,620,188	£1,088,550	£656,513	£31,833,425
Communal Areas	£0	£133,250	£1,486,250	£7,185,250	£2,091,000	£1,045,500	£399,750	£379,250	£12,720,250
Total Programmed Renewals	£1,539,263	£3,947,788	£43,264,738	£167,685,900	£89,454,825	£116,781,838	£95,708,350	£66,256,513	£584,639,213
Contingency 10%	£153,926	£394,779	£4,326,474	£16,768,590	£8,945,483	£11,678,184	£9,570,835	£6,625,651	£58,463,921
Environmental Works	£1,334,200	£2,668,400	£2,668,400	£6,671,000					£13,342,000
Building Safety Works	£7,600,000	£15,200,000	£15,200,000						£38,000,000
Block M&E	£5,000,000	£10,000,000	£10,000,000	£25,000,000					£50,000,000
Structural Works	£1,300,000	£2,600,000	£2,600,000	£6,500,000					£13,000,000
SAP C - Energy Efficiency	£10,379,525	£20,759,050	£20,759,050	£51,897,625					£103,795,250
TOTAL EXPENDITURE	£27,306,914	£55,570,016	£98,818,661	£274,523,115	£98,400,308	£128,460,021	£105,279,185	£72,882,164	£861,240,384

We have assumed that year 1 is 2022.23 for the purposes of planning.

As part of the commission Savills worked with officers to produce an investment requirement that results in the stock becoming zero-carbon and this is modelled as a scenario in the section below.

The overall investment is £861.240million and is works to all tenanted properties but also communal areas and buildings. As LBC currently has 2,585 leaseholders we have made appropriate provisions within the plan for the recovery of the applicable costs of works above the current level budgeted.

In terms of the short-term capital programme, the following costs have been factored into the model.

Table 2.2 – Short-Term Capital Investment Projections

	23/24	24/25	25/26	26/27	27/28	28/29
Adaptations	1,200,000	1,000,000				
Building Safety	1,384,650	5,255,000	40,300,000	20,000,000	8,515,000	-
Environmental work	-	-				
M&E Major Repairs and Improvements	6,208,354	5,245,000				
M&E Building Safety	2,350,263	3,150,000	3,150,000	3,150,000	3,150,000	3,150,000
Net Zero	20,965	1,000,000				
Programmed Renewals	7,214,577	8,050,000	32,026,500	25,749,000	28,015,028	28,015,028
Projects	2,294,795	2,575,000				
Regeneration	-	2,000,000				
Regeneration	1,500,000	14,105,000	14,105,000	14,105,000	14,105,000	14,105,000
Repairs referrals	8,800,000	8,600,000	7,500,000	7,500,000	7,500,000	7,500,000
Staffing Costs	2,200,000	3,200,000				
Surveys and data collection	797,644	1,055,000				
EI referrals	1,418,653	2,000,000				
	35,389,900	57,235,000	97,081,500	70,504,000	61,285,028	52,770,028

The expenditure in the above table is higher than the outputs for the early years of the stock condition survey as on account of the details provided in the section below. This also explains the slight increase in overall investment over 30 years in the housing stock.

Additional Provisions Over and Above Works Identified within the Stock Condition Data Over the Next 10 Years

As part of the asset management strategy, a review of buildings and land will be conducted to establish what might be surplus to core requirements and which could either be sold or developed in partnership with third parties to meet housing need. A number of projects have already been identified that could begin in 2024.25; a prudent estimate of £158.6m for these projects has been included within the treasury request for future potential borrowing. It is important to note that all building costs are rising rapidly due to inflation and supply issues.

1. Redevelopment work at Regina Road following the outcome of the tenants consultation with a provision of a total £103million over the next 6 years. It is anticipated that LBC will achieve grant contributions of c£40.5million towards the costs of these works. This is accounted for in the Regeneration Line of table 2.2.
2. Regeneration programme – £55.6million – an investment programme is required to rebuild or redevelop buildings within the HRA stock particularly those that of an age, type of construction or condition that responsive repairs are no longer value for – for example building over 60 years or LPS blocks. A large proportion of this is accounted for in the Building Safety line of table 2.2.
3. Housing Capacity programme – a review of properties that have potential for further development on the existing site.
4. Increase allocation of funding for fire safety & damp and mould works to allow for the additional interventions and mechanical works beyond those within the safety programme.

New Build / Development Assumptions

The HRA has recently acquired a number of properties from the Council's development company Brick by Brick and these have been included within the base position of the model in terms of stock numbers, rents and opening debt position. No further acquisitions or new developments have been modelled within this plan.

Interest Rates

The opening debt (HRA Capital Financing Requirement or HRACFR) stands at £365.497million. It is currently financed by 38 fixed loans totalling £332.765million in terms of both interest rates and maturity dates. The average interest rate for these loans is 3.28%. Internal borrowing between the Council's General Fund and HRA is utilised to fund the £32.732million difference and with a low level of interest is charged on this on account of no retrospective interest being credited to the HRA for the levels of reserve held. This position may well change as the Council annually reviews its treasury management strategy.

As capital expenditure increases above current levels in order to meet the requirements as demonstrated in tables 2.1 and 2.2 additional borrowing is required. Currently interest rates are the highest they have been for the last 14 years but the consensus amongst treasury advisors are that they will fall. A rate of 3.5% has been assumed for future borrowing post 5 years, but rates of 5.0% reducing to 4.0% during the first 5 years of the plan.

2.3. HRA Business Plan projections

As a starting position for financial forecasting an agreed set of assumptions relating to inflation and interest rates are factored in. In addition, a minimum reserve position for the HRA is required and the existing level of £9.5million has been applied.

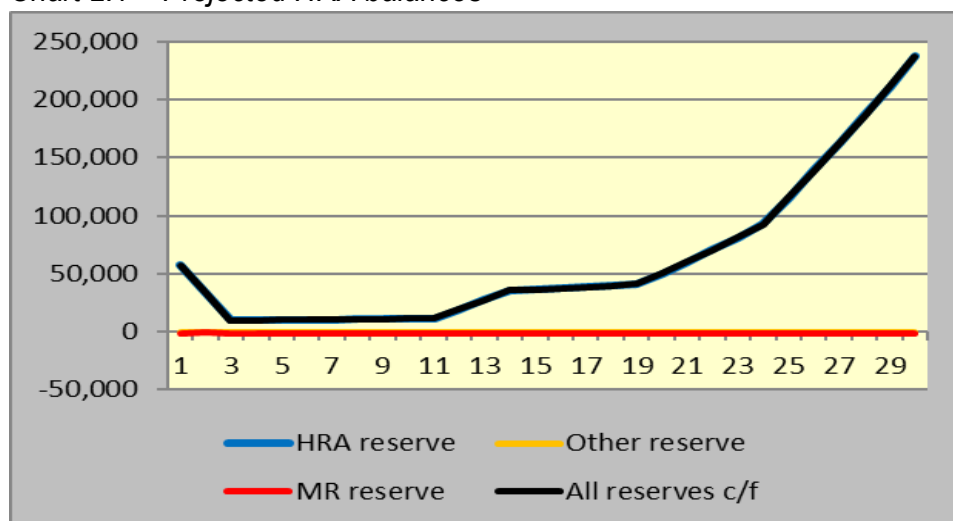
Various methodologies can be applied for arriving at this:

- Equivalent to a period of gross expenditure. In the case of LBC £9.5million is equivalent to 1.55 months of expenditure, whereas elsewhere we have seen 1.5 months set as a basis
- A percentage of turnover is also adopted at other LAs and £9.5million equates to 9.89% whereas others we have worked with have set limits at 10%
- Finally a straightforward allowance per unit is used, which equates to £710 per unit whereas values closer to £700 per unit are modelled elsewhere.

Using the above benchmarks, the level of minimum balance modelled of £9.5million appears sufficient and will have CPI applied to it.

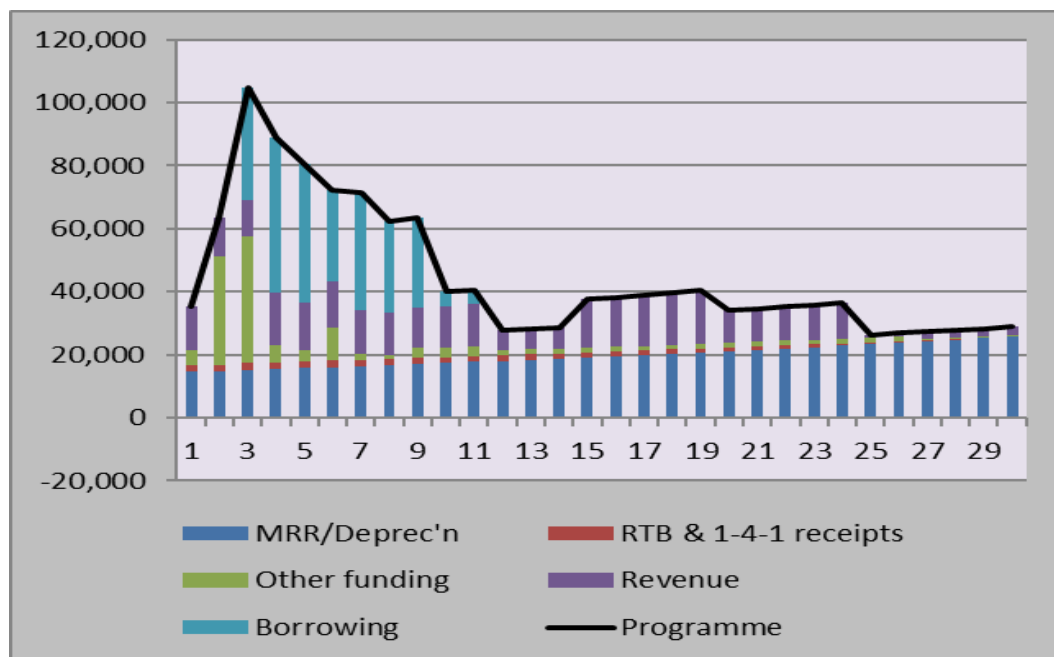
- Therefore, the graphs below will show the HRA, maintaining a minimum balance of £9.5million (inflated year on year) with the maximum level of resources available from the HRA utilised to either finance the capital programme and (if any remaining available) and to reserve balances.

Chart 2.1 – Projected HRA balances



This demonstrates that the HRA balance can be maintained at or above its minimum level for the duration of the plan. From year 19 onwards, as a result of a reduction in the expenditure within the provisional asset management strategy, revenue balances begin to accrue in the plan – up to c£202million over 30 years.

Chart 2.2 – Projected capital expenditure and financing



Capital expenditure is fully funded throughout the 30 years demonstrated by the horizontal black line. From year 3 of the plan, where the stock investment requirements data is modelled, there is a significant increase in projected expenditure to meet the requirements of building safety works and energy efficiency improvements plus additional provisions.

In order to part finance this, additional borrowing is required. As the full asset management strategy is developed in the next year, and additional surveys undertaken, both the profile and level of expenditure requirements are likely to change; however the above provides for a sound basis in which to understand the business plan position as it stands.

Inflation has been included within the above projections.

Chart 2.3 – Projected Capital Expenditure (By Category)

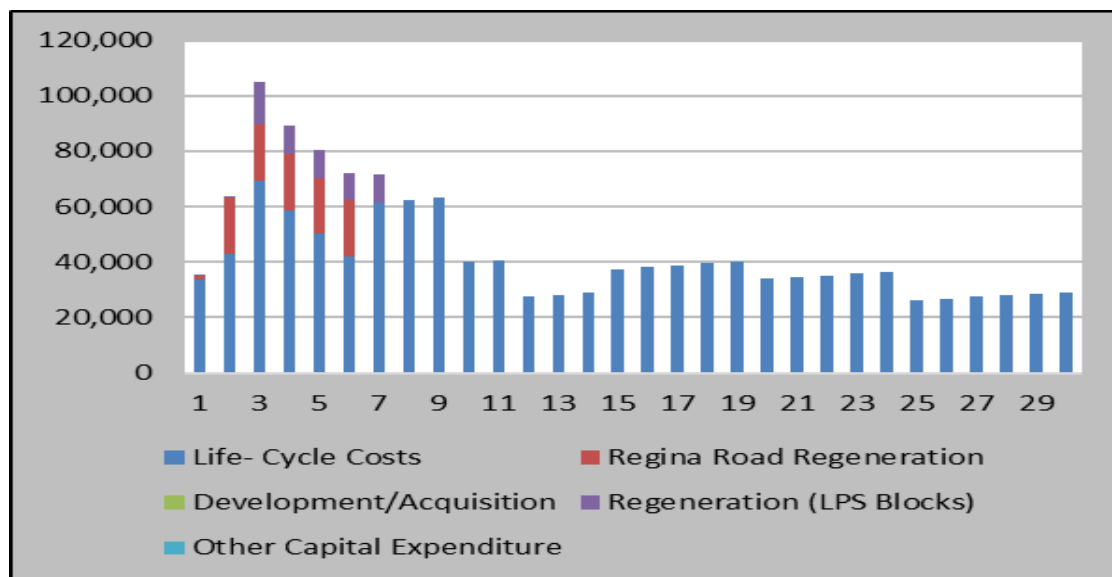
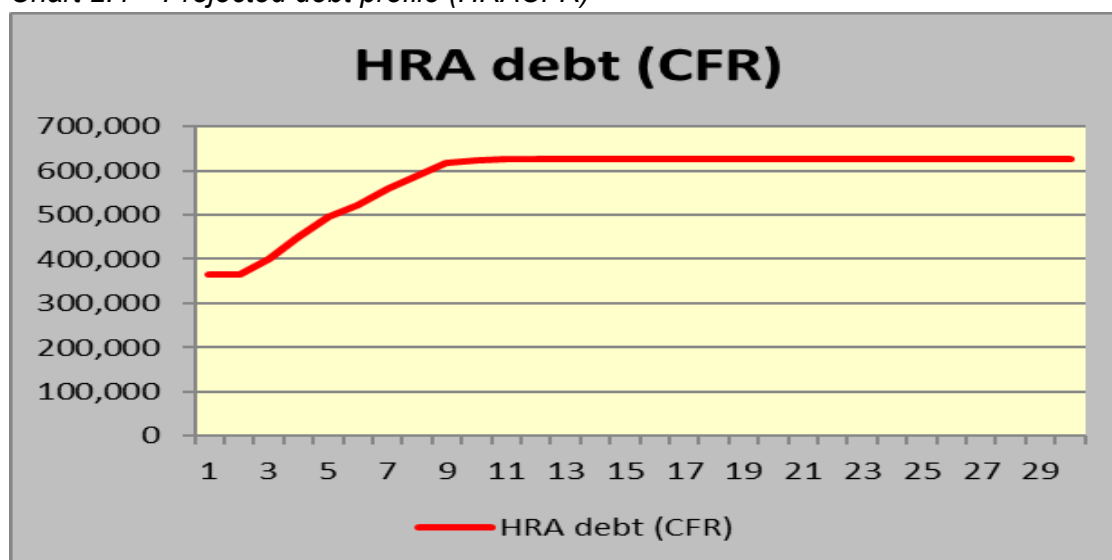


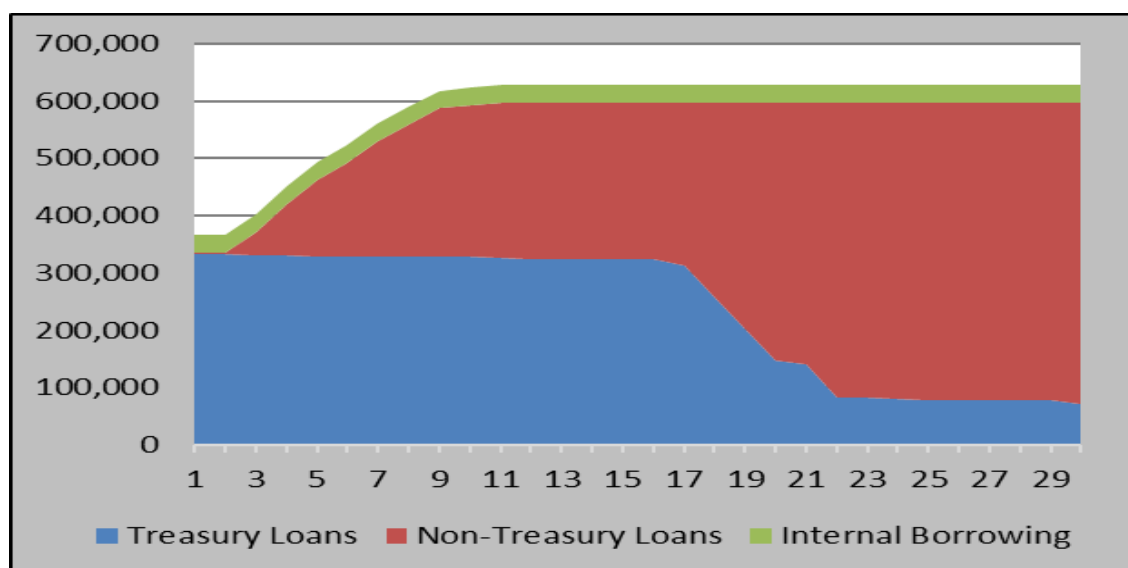
Chart 2.4 – Projected debt profile (HRACFR)



Borrowing is projected to peak in year 11 at £627.2million from an opening position of £365.5million.

All of the existing loan facilities that mature during the period of the plan are refinanced as demonstrated in the chart below.

Chart 2.5 – Projected Debt Analysis (HRACFR)



The blue shaded areas represent the existing loan portfolio that was allocated to the HRA in 2012 and any borrowing since then, whereas the red area represents a new pool of loans that are effectively a revolver type facility at an interest rate projected across all years at 3.5%, with the exception of higher rates in the earlier years.

2.4. Debt in Comparison to Provisional Prudential Limits

The HRA debt cap represented an artificial constraint on borrowing set outside the HRA and linked to future income and cost assumptions which were made in 2012. The housing and financial policy environment has moved on considerably since then, however the only change in the debt cap implemented was for a small minority of authorities that opted to bid for an increase in 2014.15.

Whilst there is theoretically now no limit to borrowing within the HRA, the existing asset and operating base generates a net income stream that does offer a logical limit on sustainable borrowing levels. In setting out its investment strategy, the Council therefore needs to consider how it will take decisions on whether to invest, how to fund, the extent of new borrowing, and determine a framework within which decisions will be taken for the business plan overall, within the medium term financial strategy and within successive budget rounds.

This report applies some metrics developed in the light of the experience of 40 years' of successful private finance of housing associations, during which associations have developed hundreds of thousands of new affordable homes, without a single association ever going into default with any of its lenders.

This is not the only approach that can be utilised, for example the Council will have an established approach to the setting of Prudential Indicators in the General Fund which it might wish to consider in the HRA context. However, as will be seen, looking at tried and tested principles from a privately financed sector in the HRA context provides a powerful and persuasive evidence base for a significant increase in funding for new HRA developments.

Housing associations have traditionally been funded from long-term bank lending from the High Street banks and Building Societies. There is over £55 billion of debt on HA balance sheets. Bank lending has been built on lending covenants which have become established in the marketplace and associated with the delivery of cheap debt. Whilst local authority borrowing is not directly secured on its asset base, the covenant approach provides a key insight into the viability and sustainability of borrowing as viewed by private lenders.

We have identified three covenants/ratios or metrics which we consider potentially relevant in the HRA context, set out below.

Interest Cover Ratio (ICR)

This is the ratio of operating surplus divided by interest costs, and represents the cover that the HRA has against its interest cost liabilities in any year; the ICR is set to a minimum which provides comfort that if there were a sudden drop in income or increase in operating costs, there would be sufficient headroom to continue to cover debt interest. For housing associations, the usual definition of operating surplus is EBITDA (Earnings before Interest, Tax, Depreciation and Appropriations). The average ICR for the HA sector in 2022.23 was around 1.10 although pressure on asset management and stock investment have led many to negotiate temporary arrangements with their funders that allow them to operate at a lower interest cover; typical lending covenants are 1.10 with 1.25 being a “golden rule” trigger below which action is taken to improve cover.

For the HRA, this is best defined as:

- Turnover (dwelling rents, other rents, service charges, contributions)
- Less
- Operating Costs (general management, special management, other management, repairs & maintenance, major repairs)

For housing associations, depreciation is not a cash transaction. In the HRA, because of the treatment of depreciation as a cash transfer to the MRR plus or minus an adjustment to reflect actual transfers to MRR, it is essential to include the net amount transferred to MRR in the calculation. This represents the revenue expenditure on major repairs made legitimately as part of operating costs. Notwithstanding that these are subsequently treated as part of the capital programme, they are funded from revenue and property an operating cost. Whilst transfers to the MRR may not be spent in-year, our experience is that the majority of balances carried in the MRR tend to be from expenditure slippage.

The above definition of ICR works in the HRA context as it determines the revenue surplus before interest, appropriations, and other “below the line” adjustments.

Loan to Value (LTV)

This is an essential tool for private lenders where debt is secured against properties, hence theoretically against their value. The basis for valuation in HAs has been Existing Use Value (Social Housing) - EUV(SH) - for decades with many HAs and lenders now adopting Market Value Subject to Tenancy as a valuation approach. Typical covenants prescribe 65-70% maximum LTV.

For the HRA, borrowing is not directly secured against the properties. In addition, the EUV(SH) calculation prescribed by government is not cashflow based, but is based on vacant possession values discounted by a regional factor periodically published by the government.

LTV is best defined in the HRA context as Outstanding Debt / Fixed Asset Value. Debt is defined as the HRACFR as this is the amount that must be financed with interest payments in the HRA. Asset values include all assets, dwellings and non-dwellings, as all assets are included in the generation of net income cashflows in the HRA.

Whilst the LTV definition works for the HRA to an extent, the absence of a clear relationship between net rental income and asset values means that the ratio tends to deliver a “low” result, compared to HAs.

Debt to Turnover (Debt:T/Over)

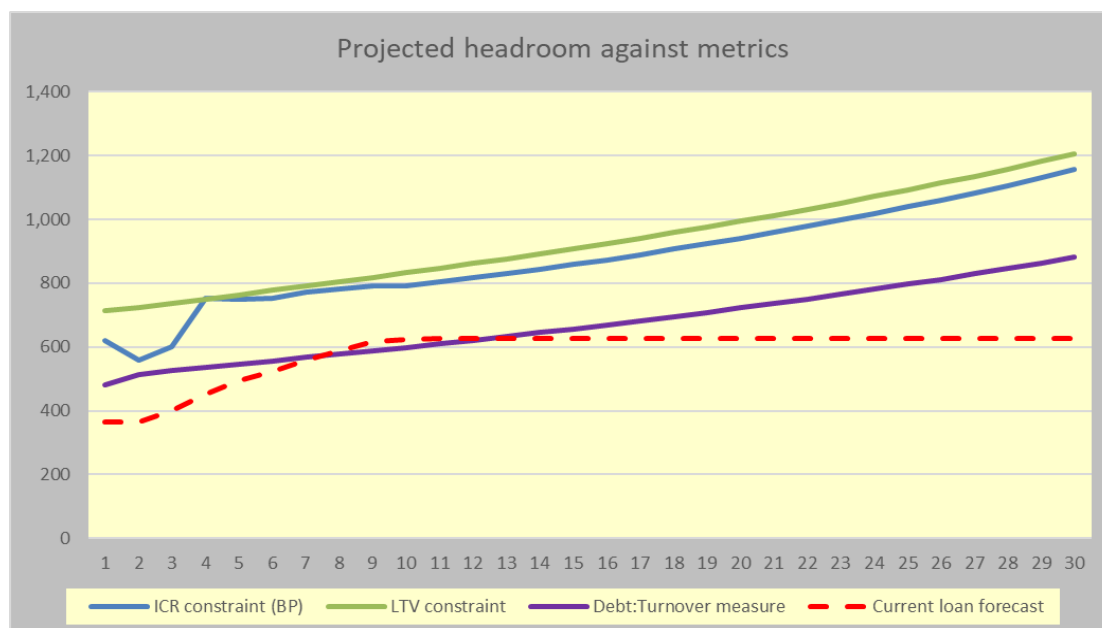
Another measure we have used for this analysis is the ratio of Debt to Turnover. This measure the level of turnover in relation to debt, which differs slightly from the ration used for assessing debtor balances against turnover. As a proxy we have suggested a ratio of 5:0, so that turnover can cover the level of debt outstanding by 5 times.

In the absence of an agreed prudential borrowing approach for the HRA we have suggested the following parameters:

ICR	@ minimum 1.25
LTV	@ maximum 65%
Debt:Turnover	@ maximum 5:0

Using these parameters we are able to established a suggested range of borrowing limits which could be applied a “golden-rule” as shown within the graph below.

Chart 2.6 – Projected Debt (HRACFR) Compared to Provisional Borrowing Limit



The red (dashed) line shows the projected loan balances, as per chart 2.4 set against the three “golden-rule” suggested metrics.

Using the Loan to Value metric, the plan suggests that there is scope for borrowing headroom which is measured by the gap between the green and red (dashed) line.

The Debt to Turnover ratio suggests that borrowing will exceed the “golden-rule” modelled, which is due in part, to rent increases restricted at CPI levels, but also the additional expenditure over and above the stock condition data without any additional income.

By default, the Interest Cover Ratio is considered the benchmark for assessing borrowing capacity and using the “golden-rule” as suggested, the projected borrowing in the main remains below this level. The lowest level of borrowing headroom is £170million in year 10 of the plan.

3. Sensitivity & Scenario Modelling

3.1. Sensitivity Modelling

We have modelled a range of scenarios that demonstrate the impact to the plan as per the table below.

Scenario £'m	HRA Bal Yr 30	Debt Yr 30	Minimum Headroom ICR (Year)	Borrowing Limit at Year 30
BASE	237	627	170 (10)	1,156
Inflation +0.5% pa	306	628	200 (9)	1,326
Inflation -0.5% pa	175	627	141 (10)	1,008
Interest +0.25% pa	214	631	146 (10)	1,092
Rents CPI +1% all years	804	587	193 (2)	2,268
Rent Freeze (Yr 2 – 2025.26)	160	656	90 (10)	1,069
Capital Expenditure +5%	188	658	141 (10)	1,152
Capital Expenditure Inf +1% 5 Years	193	648	153 (10)	1,155
Repairs Expenditure Infl +1% 5 Years	199	637	133 (10)	1,122
No Reduction in Repairs Yr4	86	733	-11 (11)	953
Right to Buys (Reduced by 50%)	243	628	173 (10)	1,203
Voids +0.5% Bad Debts +1%	189	645	121 (10)	1,103

The plan shows a varied impact to both positive and negative sensitivities. Areas of concern will more around the residual debt that the HRA has at year 30, although there is no statutory requirement for repayment, and the reduction in borrowing headroom.

3.2. Scenario Modelling

The sensitivity table above demonstrates the impact to the plan for areas that will be primarily outside of the control of LBC.

As detailed earlier, an additional stock investment requirement has been modelled which identifies the potential cost of improving the stock to a zero-carbon standard, in conjunction with officers.

The table below details the expenditure in order to achieve this.

Table 3.1 – Stock Investment Requirements (Zero-Carbon Scenario)

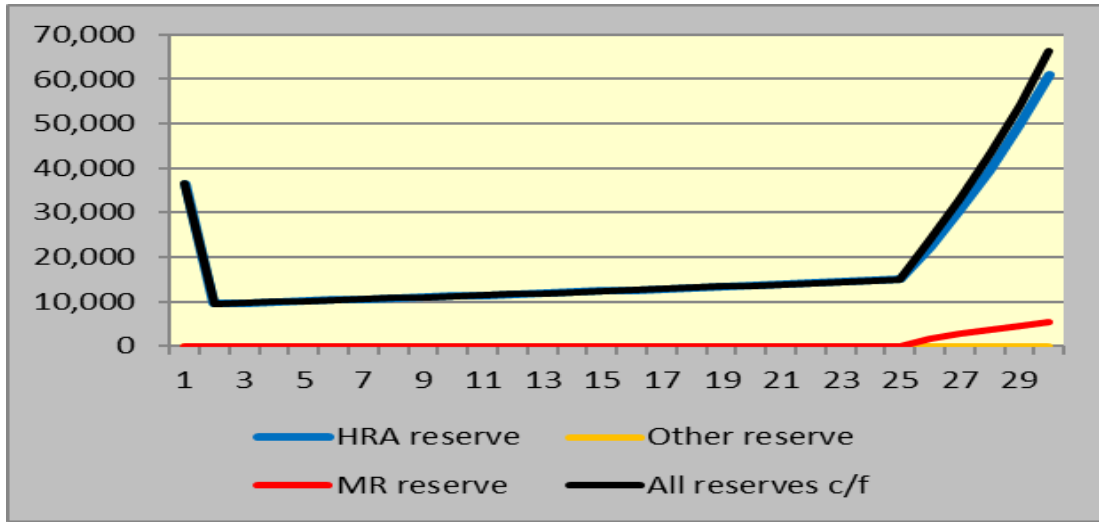
Element Group	Year 1	Years 2 to 3	Years 4 to 5	Years 6 to 10	Years 11 to 15	Years 16 to 20	Years 21 to 25	Years 26 to 30	Total
Catch Up Repairs	£972,438	£0	£0	£0	£0	£0	£0	£0	£972,438
Kitchens	£0	£2,050,000	£5,535,000	£32,800,000	£19,577,500	£7,892,500	£7,585,000	£32,800,000	£108,240,000
Bathrooms	£164,000	£246,000	£3,854,000	£6,724,000	£6,396,000	£24,518,000	£13,366,000	£3,936,000	£59,204,000
Electrics	£254,200	£305,450	£1,834,750	£6,849,050	£6,586,650	£24,294,550	£12,787,900	£14,659,550	£67,572,100
Heating	£0	£0	£0	£0	£0	£0	£0	£0	£0
Roofs	£0	£209,100	£7,032,525	£18,600,675	£11,062,825	£8,764,775	£17,881,125	£4,281,425	£67,832,450
Walls	£0	£0	£926,600	£0	£0	£0	£0	£0	£926,600
Windows and Doors	£71,750	£597,575	£5,207,000	£0	£0	£0	£0	£0	£5,876,325
External Areas	£76,875	£47,663	£5,734,363	£15,123,875	£4,485,400	£4,620,188	£1,088,550	£656,513	£31,833,425
Communal Areas	£0	£133,250	£1,486,250	£7,185,250	£2,091,000	£1,045,500	£399,750	£379,250	£12,720,250
Total Programmed Renewals	£1,539,263	£3,589,038	£31,610,488	£87,282,850	£50,199,375	£71,135,513	£53,108,325	£56,712,738	£355,177,588
Contingency 10%	£153,926	£358,904	£3,161,049	£8,728,285	£5,019,938	£7,113,551	£5,310,833	£5,671,274	£35,517,759
Environmental Works	£1,334,200	£2,668,400	£2,668,400	£6,671,000					£13,342,000
Building Safety Works	£7,600,000	£15,200,000	£15,200,000						£38,000,000
Block M&E	£5,000,000	£10,000,000	£10,000,000	£25,000,000					£50,000,000
Structural Works	£1,300,000	£2,600,000	£2,600,000	£6,500,000					£13,000,000
Zero Carbon	£20,800,000	£41,600,000	£41,600,000	£115,000,000	£115,000,000	£115,000,000	£115,000,000		£564,000,000
TOTAL EXPENDITURE	£37,727,389	£76,016,341	£106,839,936	£249,182,135	£170,219,313	£193,249,064	£173,419,158	£62,384,011	£1,069,037,347

Investment over the 30-year plan increases to £1.069billion, an increase of 24.1% coupled with a change in profile of expenditure.

All other assumptions in respect of Regina Road regeneration and works to LPS blocks remain.

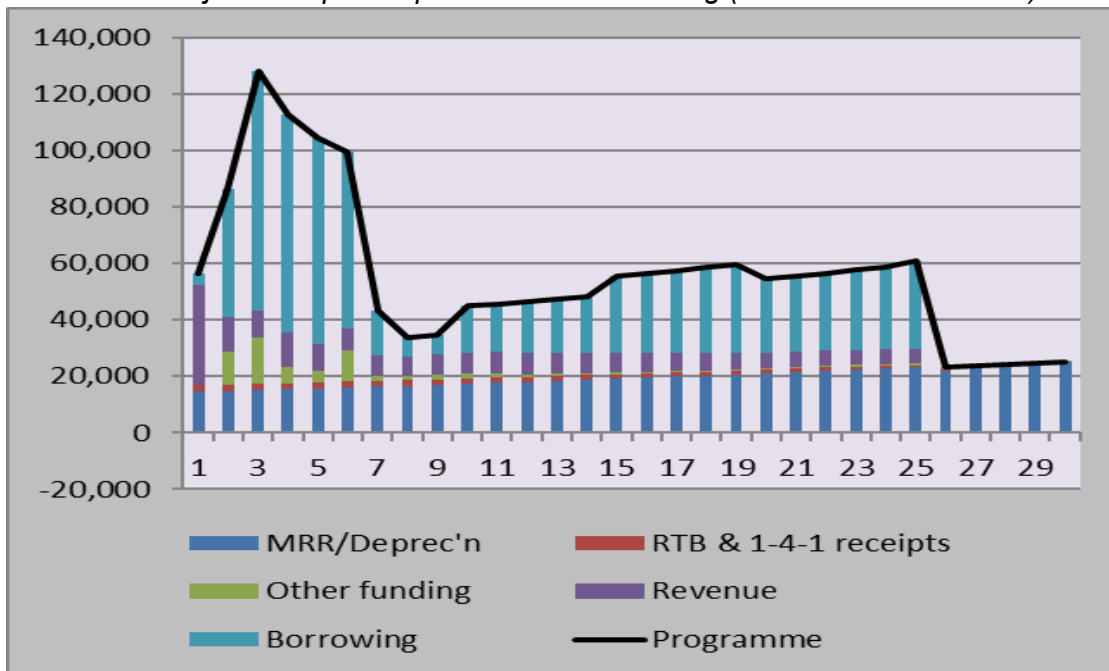
We have modelled the results of applying this level of investment to the plan

Chart 3.1 – Projected HRA balances (Zero-Carbon Scenario)



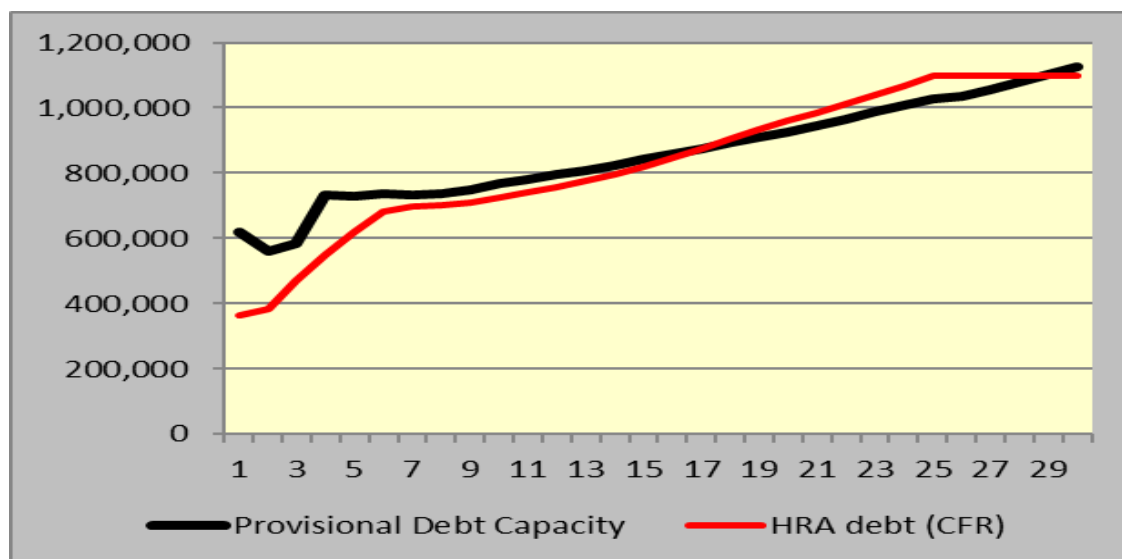
The HRA is able to maintain its minimum balance for the long-term with a gradual increase from year 26 to £60.9million.

Chart 3.2 – Projected capital expenditure and financing (Zero-Carbon Scenario)



This chart demonstrates the changes and levels of capital investment requirement with this scenario, and that additional borrowing is required in almost all years in order to finance the expenditure.

Chart 3.3 – Projected debt profile (HRACFR) (Zero-Carbon Scenario)



This chart demonstrates that the need to continually borrow until year 25, where the level of debt peaks at £1.096billion.

It should be noted that within this scenario we have not modelled any form of subsidy towards the expenditure in order to meet zero carbon.

In terms of borrowing capacity, the plan exceeds the golden-rule set within the plan over the longer-term of the plan.



4. Summary

1. The HRA business plan forecast as set out in our modelling for the London Borough of Croydon shows the current projected financial position and future potential borrowing capacity.
2. The plan provides a basis on which to move forward with its investment plans, and provides some additional provision in respect of works outside of the stock condition survey.
3. The Council is able to increase borrowing immediately based on existing capacity within the business plan if using the ICR metric based on a minimum of 1.25.
4. The plan, whilst balanced in terms of maintain minimum levels of reserves, does require substantial borrowing in order to finance the identified capital investment, which may be offset with the possibility of external grant funding towards energy efficiency measures.
5. By substantially increasing the investment in existing stock, for example to assist with meeting the de-carbon agenda, would result in an unviable business plan albeit without external subsidy towards the cost of achieving this.
6. The Council can affect future operating surpluses through effective cost management and this would increase borrowing capacity. Similarly, increases in inflation and in particular in rent inflation would add significantly to future capacity.
7. This report should provide a basis for the Council to inform its future approach to establishing a decision making framework for its HRA investment and development strategies, and also inform the work to be undertaken to adopt Prudential Indicators for the HRA. However, this needs to be considered in the context of LBC's treasury management strategy.

Steve Partridge & Simon Smith
Savills
December 2023

Appendix 1 Key Assumptions

	Assumption	Notes
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Dwelling Rent	7.7% Increase 2024.25 then CPI only thereafter	
Void rates	1.66%	
Service Charges	7.7% in 2024.25 and CPI increases from 2025.26	Full service charge review to be carried out
Non dwelling rents	CPI only increases after adjustments to base budget	
Garage Rents	CPI only increases after adjustments to base budget	Review of long term void garages required with demolitions and infills decisions
Major Works Leaseholder Contributions	Linked to Capital Programme	
Repairs and Maintenance Costs	CPI only increases (reduced budgets post yr 4)	
Heating and hot water charges	CPI only increases	
Interest rate on borrowings	Based on Existing actual rates c3.28% then average of 3.5%	
Depreciation	Straight Line Basis over life of Assets	

Appendix 2 Benchmarks

Outer-London Benchmarks for Financial Year 2021.22 (noting that 2022.23 accounts are still in the process of being published by boroughs).

Metric	Croydon 2021.22	Outer London 2021.22 Average
Rented Properties	13,623	9,252

HRA Business Plan and Capacity Update



Gross Management per unit	£2,850	£2,682
Net Management (less service charges) per unit	£2,408	£1,908
Repairs per unit	£986	£1,191
Gross Management and Repairs per unit	£3,836	£3,873
Depreciation per unit	£990	£1,241
Average Rent (52 week basis)	£112.13	£110.53
Other (non-Service Charge) Income per unit	£271	£179
Operating Surplus per unit	£1,753	£1,273
Operating Margin	26.4%	19.5%
Debt per unit	£26,835	£20,465
Interest per unit	£890	£539
Interest Rate	3.32%	4.01%
Reserves per unit	£452	£1,619

HRA Business Plan and Capacity Update



Appendix 3 Financial Tables

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Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Year	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34	2034.35	2035.36	2036.37	2037.38
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
HRA 30 YEAR SUMMARY															
Dwelling rents	85,380	91,568	93,626	95,387	97,102	99,044	101,046	102,860	104,717	106,618	108,566	110,562	112,607	114,702	116,850
Non-dwelling rents	1,008	1,010	1,035	1,056	1,077	1,099	1,121	1,143	1,166	1,189	1,213	1,237	1,262	1,287	1,313
Service charge income	6,679	7,035	7,211	7,355	7,502	7,653	7,806	7,962	8,121	8,283	8,449	8,618	8,790	8,966	9,145
Other income and contributions	2,979	3,122	3,200	3,264	3,329	3,396	3,464	3,533	3,604	3,676	3,750	3,825	3,901	3,979	4,059
Total income	96,046	102,736	105,073	107,063	109,012	111,191	113,437	115,498	117,608	119,767	121,978	124,242	126,560	128,935	131,367
Repairs & maintenance	23,448	27,950	28,579	23,674	24,094	24,576	25,024	25,504	25,984	26,467	26,983	27,485	28,000	28,526	29,064
Management (incl RRT)	30,990	35,778	36,673	35,315	36,022	36,742	37,477	38,226	38,991	39,771	40,566	41,377	42,205	43,049	43,910
Bad debts	750	751	768	782	796	812	829	843	859	874	890	906	923	940	958
Depreciation	14,729	14,729	15,094	15,394	15,699	16,011	16,331	16,657	16,991	17,330	17,677	18,031	18,391	18,759	19,134
Debt management	162	166	170	174	177	181	184	188	192	195	199	203	207	212	216
Total costs	70,079	79,374	81,283	75,339	76,787	78,321	79,845	81,419	83,016	84,638	86,315	88,003	89,726	91,486	93,282
Net income from services	25,968	23,362	23,790	31,724	32,224	32,870	33,592	34,079	34,592	35,130	35,663	36,239	36,834	37,449	38,086
Interest payable	-12,231	-12,237	-12,490	-14,876	-16,770	-18,137	-19,293	-20,455	-21,463	-22,043	-22,193	-22,259	-22,258	-22,256	-22,249
Interest income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net income/expenditure before appropriations	13,737	11,124	11,300	16,848	15,455	14,733	14,299	13,624	13,129	13,087	13,470	13,979	14,576	15,193	15,837
Set aside for debt repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue contributions to capital	-13,778	-12,196	-11,300	-16,653	-15,256	-14,531	-14,092	-13,413	-12,914	-12,867	-13,246	-6,166	-6,377	-6,756	-15,190
Allocation of Reserves to capital	-4,737	-22,412	-24,035	0	0	0	0	0	0	0	0	0	0	0	0
Net HRA Surplus/Deficit	-4,778	-23,484	-24,035	195	199	203	207	211	215	219	224	7,814	8,198	8,437	646
HRA Balance brought forward	62,035	57,257	33,773	9,738	9,932	10,131	10,334	10,540	10,751	10,966	11,185	11,409	19,223	27,421	35,858
HRA surplus/(deficit)	-4,778	-23,484	-24,035	195	199	203	207	211	215	219	224	7,814	8,198	8,437	646
HRA Balance carried forward	57,257	33,773	9,738	9,932	10,131	10,334	10,540	10,751	10,966	11,185	11,409	19,223	27,421	35,858	36,504
Other reserves brought forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Release of reserve	-4,737	-22,412	-24,035	0	0	0	0	0	0	0	0	0	0	0	0
Other reserves carried forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HRA CAPITAL PROGRAMME															
Stock capital investment	33,617	43,007	69,158	58,751	50,094	41,834	61,424	62,428	63,458	39,950	40,605	27,703	28,245	28,755	37,530
Regina Road Regeneration	1,500	20,300	20,300	20,300	20,300	20,300	0	0	0	0	0	0	0	0	0
Development/acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Regeneration (LPS Blocks)	250	50	15,300	10,000	10,000	10,000	10,000	0	0	0	0	0	0	0	0
Capital programme	35,367	63,357	104,758	89,051	80,394	72,134	71,424	62,428	63,458	39,950	40,605	27,703	28,245	28,755	37,530
Scheduled Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Financed by:</i>															
Major Repairs Reserve	-14,729	-14,704	-15,119	-15,394	-15,699	-16,011	-16,331	-16,657	-16,991	-17,330	-17,677	-18,031	-18,391	-18,759	-19,134
1-4-1 receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other receipts and grants	-4,737	-34,312	-40,405	-5,563	-3,573	-10,671	-1,686	-1,235	-3,133	-3,196	-3,260	-1,750	-1,785	-1,615	-1,647
Revenue contributions	-13,778	-12,196	-11,300	-16,653	-15,256	-14,531	-14,092	-13,413	-12,914	-12,867	-13,246	-6,166	-6,377	-6,756	-15,190
HRA borrowing	0	0	-35,768	-49,254	-43,729	-28,821	-37,252	-29,115	-28,475	-4,677	-4,602	0	0	0	0
Capital financing	-35,367	-63,357	-104,758	-89,051	-80,394	-72,134	-71,424	-62,428	-63,458	-39,950	-40,605	-27,703	-28,245	-28,755	-37,530
Net balance on capital programme	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Major Repairs Reserve b/fwd	0	0	25	0	0	0	0	0	0	0	0	0	0	0	0
HRA depreciation (net)	14,729	14,729	15,094	15,394	15,699	16,011	16,331	16,657	16,991	17,330	17,677	18,031	18,391	18,759	19,134
Financing for capital programme	-14,729	-14,704	-15,119	-15,394	-15,699	-16,011	-16,331	-16,657	-16,991	-17,330	-17,677	-18,031	-18,391	-18,759	-19,134
Debt Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Major Repairs Reserve c/fwd	0	25	0	0	0	0	0	0	0	0	0	0	0	0	0

HRA Business Plan and Capacity Update



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Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
Financial Year	2038.39	2039.40	2040.41	2041.42	2042.43	2043.44	2044.45	2045.46	2046.47	2047.48	2048.49	2049.50	2050.51	2051.52	2052.53	
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	
HRA 30 YEAR SUMMARY																
Dwelling rents	119,052	121,309	123,624	125,998	128,434	130,932	133,495	136,126	138,826	141,597	144,442	147,363	150,362	153,442	156,606	
Non-dwelling rents	1,340	1,366	1,394	1,421	1,450	1,479	1,508	1,539	1,569	1,601	1,633	1,666	1,699	1,733	1,767	
Service charge income	9,328	9,515	9,705	9,899	10,097	10,299	10,505	10,715	10,930	11,148	11,371	11,599	11,831	12,067	12,309	
Other income and contributions	4,140	4,223	4,307	4,393	4,481	4,571	4,662	4,755	4,850	4,947	5,046	5,147	5,250	5,355	5,462	
Total income	133,859	136,413	139,030	141,712	144,462	147,281	150,171	153,135	156,175	159,293	162,492	165,774	169,142	172,597	176,144	
Repairs & maintenance	29,615	30,178	30,754	31,344	31,948	32,565	33,197	33,844	34,507	35,185	35,879	36,589	37,317	38,061	38,824	
Management (incl RRT)	44,788	45,684	46,598	47,530	48,480	49,450	50,439	51,448	52,477	53,526	54,597	55,689	56,802	57,938	59,097	
Bad debts	976	994	1,013	1,032	1,052	1,073	1,094	1,115	1,137	1,160	1,183	1,207	1,232	1,257	1,283	
Depreciation	19,517	19,907	20,305	20,711	21,126	21,548	21,979	22,419	22,867	23,324	23,791	24,267	24,752	25,247	25,752	
Debt management	220	225	229	234	238	243	248	253	258	263	268	274	279	285	290	
Total costs	95,116	96,988	98,899	100,851	102,844	104,879	106,957	109,079	111,245	113,458	115,718	118,025	120,382	122,789	125,247	
Net income from services	38,744	39,425	40,131	40,861	41,618	42,402	43,214	44,056	44,930	45,835	46,774	47,749	48,760	49,809	50,897	
Interest payable	-22,249	-22,237	-22,204	-22,209	-22,209	-22,135	-22,129	-22,117	-22,115	-22,110	-22,108	-22,108	-22,108	-22,108	-22,080	
Interest income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net income/expenditure before appropriations	16,495	17,188	17,927	18,652	19,408	20,267	21,086	21,939	22,814	23,725	24,667	25,641	26,652	27,701	28,817	
Set aside for debt repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Revenue contributions to capital	-15,588	-16,348	-16,669	-17,000	-10,341	-10,563	-10,742	-11,140	-11,434	-990	-1,102	-2,330	-2,482	-2,644	-2,857	
Allocation of Reserves to capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net HRA Surplus/Deficit	907	840	1,258	1,652	9,067	9,704	10,344	10,799	11,380	22,735	23,565	23,310	24,170	25,057	25,960	
HRA Balance brought forward	36,504	37,411	38,252	39,510	41,162	50,229	59,933	70,277	81,076	92,456	115,191	138,756	162,066	186,236	211,293	
HRA surplus/(deficit)	907	840	1,258	1,652	9,067	9,704	10,344	10,799	11,380	22,735	23,565	23,310	24,170	25,057	25,960	
HRA Balance carried forward	37,411	38,252	39,510	41,162	50,229	59,933	70,277	81,076	92,456	115,191	138,756	162,066	186,236	211,293	237,253	
Other reserves brought forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Release of reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other reserves carried forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
HRA CAPITAL PROGRAMME																
Stock capital investment	38,275	38,932	39,605	40,296	34,005	34,602	35,215	35,843	36,489	26,400	26,871	27,355	27,853	28,363	28,888	
Regina Road Regeneration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Development/acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Regeneration (LPS Blocks)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Capital programme	38,275	38,932	39,605	40,296	34,005	34,602	35,215	35,843	36,489	26,400	26,871	27,355	27,853	28,363	28,888	
Scheduled Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<i>Financed by...</i>																
Major Repairs Reserve	-19,517	-19,907	-20,305	-20,711	-21,126	-21,548	-21,979	-22,419	-22,867	-23,324	-23,791	-24,267	-24,752	-25,247	-25,752	
1-4-1 receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other receipts and grants	-1,680	-1,256	-1,281	-1,306	-1,333	-1,359	-1,415	-1,444	-1,473	-1,502	-1,532	-454	-463	-473	-482	
Revenue contributions	-15,588	-16,348	-16,669	-17,000	-10,341	-10,563	-10,742	-11,140	-11,434	-990	-1,102	-2,330	-2,482	-2,644	-2,857	
HRA borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Capital financing	-38,275	-38,932	-39,605	-40,296	-34,005	-34,602	-35,215	-35,843	-36,489	-26,400	-26,871	-27,355	-27,853	-28,363	-28,888	
Net balance on capital programme	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Major Repairs Reserve b/fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
HRA depreciation (net)	19,517	19,907	20,305	20,711	21,126	21,548	21,979	22,419	22,867	23,324	23,791	24,267	24,752	25,247	25,752	
Financing for capital programme	-19,517	-19,907	-20,305	-20,711	-21,126	-21,548	-21,979	-22,419	-22,867	-23,324	-23,791	-24,267	-24,752	-25,247	-25,752	
Debt Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Major Repairs Reserve c/fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

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Appendix D HRA Capital Programme of Works 2024-25

Scheme	Scheme Code	2023-24 Revised full year forecast spend	2024-25 spend
Major Ad Hoc Works	CCH038		-
Communal Flooring	CCH116	-	100,000.00
Kitchen & Bathroom Extentions	CCH095	218,198.90	-
Kitchen & Bathroom Replacement	CCH033	2,000,000.00	2,000,000.00
Overheads.Prelims	CCH153	1,900,000.00	1,200,000.00
Variable Profit	CCH153	73,709.93	75,000.00
Major Adaptations	CCH030	700,000.00	700,000.00
Security Door Install	CCH032	131,889.02	150,000.00
SP College Green	CCH142	190,000.00	-
SP College Green 2	CCH142	142,000.00	1,000,000.00
Dartmouth House 1-44	CCH152	1,990,000.00	-
SP Chertsey Crescent	CCH161	914,849.00	-
Option Appraisal	CCH068	69,342.87	-
Energy Performance	800345	20,964.88	-
Cold Water Tanks	CCH123		150,000.00
Conversions & Ext	CCH159	184,072.84	-
Roof Replacement (Pitched)	CCH106	594,286.78	1,000,000.00
Roof Replacement (Flat)	CCH106	525,877.00	850,000.00
Subsidence	800464	286,756.73	-
Window Replacement	CCH148	3,000,000.00	3,000,000.00
Adaptations (Non GBW)	CCH030	500,000.00	300,000.00

Subsidence	800464	354,461.80	300,000.00
Major AD Hoc Work	CCH038	809,756.93	700,000.00
Kitchen & Bathroom Extentions	CCH095	447,661.06	600,000.00
Conversions & Extentions	CCH159	209,324.58	150,000.00
Option Appraisals & Feasibility Studies	CCH068	127,635.77	150,000.00
Minor Estate Imps Works	CCH037	200,000.00	1,000,000.00
Cold Water Pumps	800495		25,000.00
Ad Hoc - Sprinklers	CCH163	4,208.15	100,000.00
Pac Testing	CCH111	56,796.30	30,000.00
Rewire	CCH023	1,750,000.00	2,000,000.00
Lift Motor Room Imps	CCH039	15,000.00	15,000.00
Lift Refurbishment	CCH025	968,563.68	850,000.00
Replace Fire Alarms	CCH045	338,710.51	380,000.00
Lateral Mains	CCH179	1,000,000.00	600,000.00
Emergency Lighting	800465	600,000.00	600,000.00
Warden Alarms	800344	50,074.93	45,000.00
Door Entry System	CCH035	900,000.00	500,000.00
Pest Control	CCH049	-	150,000.00
Option Appraisals	CCH068	75,665.07	300,000.00
Apex Development	CCH109	-	80,000.00
CCTV Installations	800547	500,000.00	100,000.00
Stock Condition Surveys	800550	500,000.00	500,000.00
Energy Certificates	800345	25,000.00	25,000.00
Support Costs	CCH104	2,200,000.00	3,200,000.00
Special Projects	CCH142		-
Roof Replacement Works	CCH106		0
Total		24,574,806.73	22,925,000.00

Equality Analysis Form

1. Introduction

1.1 Purpose of Equality Analysis

The council has an important role in creating a fair society through the services we provide, the people we employ and the money we spend. Equality is integral to everything the council does. We are committed to making Croydon a stronger, fairer borough where no community or individual is held back.

Undertaking an Equality Analysis helps to determine whether a proposed change will have a positive, negative, or no impact on groups that share a protected characteristic. Conclusions drawn from Equality Analyses helps us to better understand the needs of all our communities, enable us to target services and budgets more effectively and also helps us to comply with the Equality Act 2010.

An equality analysis must be completed as early as possible during the planning stages of any proposed change to ensure information gained from the process is incorporated in any decisions made.

In practice, the term '**proposed change**' broadly covers the following:-

- Policies, strategies and plans;
- Projects and programmes;
- Commissioning (including re-commissioning and de-commissioning);
- Service review;
- Budget allocation/analysis;
- Staff restructures (including outsourcing);
- Business transformation programmes;
- Organisational change programmes;
- Processes (for example thresholds, eligibility, entitlements, and access criteria).

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2. Proposed change

Directorate	Housing
Title of proposed change	HRA Budget & 30 Year Business Plan 2024-25
Name of Officer carrying out Equality Analysis	Orlagh Guarnori

2.1 Purpose of proposed change (see 1.1 above for examples of proposed changes)

The 30 year Business Plan sets out for the Housing Revenue Account (HRA) both the capital and revenue investments required for in the Council's housing stock, with more focus is on the medium-term, first five years, as there is more certainty on costs, demands, resources and pressures, which will enable the prioritisation of housing investment, taking into account the Mayor's priorities & the regulatory requirements.

The proposals within the Business Plan are linked to the proposed increase to the HRA rents, which is how the investments are funded and how the Council can continue to invest in the housing stock. It is based on a on a proposed HRA budget for 2024-25 total income of £103m.

The report provides an overview of the impact on tenants of protected characteristic groups by this positive change by increasing the investment to the housing stock.

3. Impact of the proposed change

Important Note: It is necessary to determine how each of the protected groups could be impacted by the proposed change. Who benefits and how (and who, therefore doesn't and why?) Summarise any positive impacts or benefits, any negative impacts and any neutral impacts and the evidence you have taken into account to reach this conclusion. Be aware that there may be positive, negative and neutral impacts within each characteristic.

Where an impact is unknown, state so. If there is insufficient information or evidence to reach a decision you will need to gather appropriate quantitative and qualitative information from a range of sources e.g. Croydon Observatory a useful source of information such as Borough Strategies and Plans, Borough and Ward Profiles, Joint Strategic Health Needs Assessments <http://www.croydonobservatory.org/> Other sources include performance monitoring reports, complaints, survey data, audit reports, inspection reports, national research and feedback gained through engagement with service users, voluntary and community organisations and contractors.

3.1 Deciding whether the potential impact is positive or negative

Table 1 – Positive/Negative impact

For each protected characteristic group show whether the impact of the proposed change on service users and/or staff is positive or negative by briefly outlining the nature of the impact in the appropriate column. . If it is decided that analysis is not relevant to some groups, this should be recorded and explained. In all circumstances you should list the source of the evidence used to make this judgement where possible.

Protected characteristic group(s)	Positive impact	Negative impact	Source of evidence
Age	People will benefit from the overall investment in our council housing stock as a result of the increased budget and the review of the stock conditions.	There is ongoing work in relation to our housing stock condition surveys required. This will be used to inform a more comprehensive Asset Strategy for the stock.	Council tenants have been broken down into the following age groups:

	30-59 y/o tenants constitute 44% of Council tenants (more than any other two age groups combined)		20-29: 4% 30-39: 14% 40-49: 19% 50-59: 25% 60-69: 18% 70-79: 11% 80-89: 6% 90-99: 1%
Disability	There is an ongoing capital investment program for adaptations.	There is ongoing work in relation to our housing stock condition surveys required which will inform whether the proposed budget is sufficient to meet the alterations required.	The Council does not collect disability data on Council tenants. Data collection on protected characteristics of Council tenants will be improved as the implementation of the NEC Housing system is rolled out fully
Sex	People will benefit from the overall investment in our council housing stock as a result of the increased budget and the review of the stock conditions	There is ongoing work in relation to our housing stock condition surveys required. This will be used to inform a more comprehensive Asset Strategy for the stock	The gender of Council tenants is as follows: Female: 67% Male: 33%
Gender Reassignment	People will benefit from the overall investment in our council housing stock as a result of the increased budget and the review of the stock conditions	There is ongoing work in relation to our housing stock condition surveys required. This will be used to inform a more comprehensive Asset Strategy for the stock	The Council does not collect data on the religion or belief of Council tenants
Marriage or Civil Partnership	People will benefit from the overall investment in our council housing stock as a result of the increased budget and the review of the stock conditions	There is ongoing work in relation to our housing stock condition surveys required. This will be used to inform a more comprehensive Asset Strategy for the stock	
Religion or belief	People will benefit from the overall investment in our council housing stock as a result of the increased budget and the review of the stock conditions	There is ongoing work in relation to our housing stock condition surveys required. This will be used to inform a more comprehensive Asset Strategy for the stock	The Council does not collect data on the religion or belief of Council tenants

Race	People will benefit from the overall investment in our council housing stock as a result of the increased budget and the review of the stock conditions	Any negative impacts listed below will impact more residents identifying as Black or White than those identifying as other ethnic groups.	Council tenants can be broken down into the following ethnicity groups: Asian: 9% Black: 37% White: 47% Mixed: 4% Other: 3%
Sexual Orientation	People will benefit from the overall investment in our council housing stock as a result of the increased budget and the review of the stock conditions	There is ongoing work in relation to our housing stock condition surveys required. This will be used to inform a more comprehensive Asset Strategy for the stock	The Council does not collect data on the sexual orientation of tenants.
Pregnancy or Maternity	People will benefit from the overall investment in our council housing stock as a result of the increased budget and the review of the stock conditions	There is ongoing work in relation to our housing stock condition surveys required. This will be used to inform a more comprehensive Asset Strategy for the stock	

Important note: You must act to eliminate any potential negative impact which, if it occurred would breach the Equality Act 2010. In some situations this could mean abandoning your proposed change as you may not be able to take action to mitigate all negative impacts.

When you act to reduce any negative impact or maximise any positive impact, you must ensure that this does not create a negative impact on service users and/or staff belonging to groups that share protected characteristics. **Please use table 4 to record actions that will be taken to remove or minimise any potential negative impact**

3.2 Additional information needed to determine impact of proposed change

Table 2 – Additional information needed to determine impact of proposed change

If you need to undertake further research and data gathering to help determine the likely impact of the proposed change, outline the information needed in this table. Please use the table below to describe any consultation with stakeholders and summarise how it has influenced the proposed change. Please attach evidence or provide link to appropriate data or reports:		
Additional information needed and or Consultation Findings	Information source	Date for completion

For guidance and support with consultation and engagement visit <https://intranet.croydon.gov.uk/working-croydon/communications/consultation-and-engagement/starting-engagement-or-consultation>

3.3 Impact scores

Example

If we are going to reduce parking provision in a particular location, officers will need to assess the equality impact as follows;

1. Determine the Likelihood of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the likelihood of impact score is 2 (likely to impact)
2. Determine the Severity of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the Severity of impact score is also 2 (likely to impact)
3. Calculate the equality impact score using table 4 below and the formula **Likelihood x Severity** and record it in table 5, for the purpose of this example - **Likelihood (2) x Severity (2) = 4**

Table 4 – Equality Impact Score

Severity of Impact	3	3	6	9
	2	2	4	6
	1	1	2	3
		1	2	3
	Likelihood of Impact			

Key

Risk Index	Risk Magnitude
6 – 9	High
3 – 5	Medium
1 – 3	Low

Equality Analysis

Table 3 – Impact scores

Column 1 PROTECTED GROUP	Column 2 LIKELIHOOD OF IMPACT SCORE Use the key below to score the likelihood of the proposed change impacting each of the protected groups, by inserting either 1, 2, or 3 against each protected group. 1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact	Column 3 SEVERITY OF IMPACT SCORE Use the key below to score the severity of impact of the proposed change on each of the protected groups, by inserting either 1, 2, or 3 against each protected group. 1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact	Column 4 EQUALITY IMPACT SCORE Calculate the equality impact score for each protected group by multiplying scores in column 2 by scores in column 3. Enter the results below against each protected group. Equality impact score = likelihood of impact score x severity of impact score.
Age	3	2	6
Disability	2	2	4
Sex	3	2	6
Gender reassignment	2	2	4
Marriage / Civil Partnership	2	2	4
Race	3	2	6
Religion or belief	2	2	4
Sexual Orientation	2	2	4
Pregnancy or Maternity	2	2	4

Equality Analysis

4. Statutory duties

4.1 Public Sector Duties

Tick the relevant box(es) to indicate whether the proposed change will adversely impact the Council's ability to meet any of the Public Sector Duties in the Equality Act 2010 set out below.

Advancing equality of opportunity between people who belong to protected groups x

Eliminating unlawful discrimination, harassment and victimisation

Fostering good relations between people who belong to protected characteristic groups

Important note: If the proposed change adversely impacts the Council's ability to meet any of the Public Sector Duties set out above, mitigating actions must be outlined in the Action Plan in section 5 below.

5. Action Plan to mitigate negative impacts of proposed change

Important note: Describe what alternatives have been considered and/or what actions will be taken to remove or minimise any potential negative impact identified in Table 1. Attach evidence or provide link to appropriate data, reports, etc:

Table 4 – Action Plan to mitigate negative impacts

Complete this table to show any negative impacts identified for service users and/or staff from protected groups, and planned actions mitigate them.				
Protected characteristic	Negative impact	Mitigating action(s)	Action owner	Date for completion
Age	The proposed change is not expected to have a negative impact.	We have increased engagement with engage tenants through existing groups but will continue to seek involvement of minority groups through these channels	Director of Tenancy Services, Housing Resident Engagement & Allocations	An ongoing commitment to developing the engagement is required

Equality Analysis

Disability	The proposed change is not expected to have a negative impact.	We have increased engagement with engage tenants through existing groups but will continue to seek involvement of minority groups through these channels	Director of Tenancy Services, Housing Resident Engagement & Allocations	
Sex	The proposed change is not expected to have a negative impact.	We have increased engagement with engage tenants through existing groups but will continue to seek involvement of minority groups through these channels	Director of Tenancy Services, Housing Resident Engagement & Allocations	
Gender reassignment	The proposed change is not expected to have a negative impact.	We have increased engagement with engage tenants through existing groups but will continue to seek involvement of minority groups through these channels	Director of Tenancy Services, Housing Resident Engagement & Allocations	
Marriage / Civil Partnership	The proposed change is not expected to have a negative impact.	We have increased engagement with engage tenants through existing groups but will continue to seek involvement of minority groups through these channels	Director of Tenancy Services, Housing Resident Engagement & Allocations	
Race	The proposed change is not expected to have a negative impact.	We have increased engagement with engage tenants through existing groups but will continue to seek	Director of Tenancy Services, Housing Resident	

Equality Analysis

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		involvement of minority groups through these channels minority groups through these channels	Engagement & Allocations	
Religion or belief	The proposed change is not expected to have a negative impact.	We have increased engagement with engage tenants through existing groups but will continue to seek involvement of minority groups through these channels	Director of Tenancy Services, Housing Resident Engagement & Allocations	
Sexual Orientation	The proposed change is not expected to have a negative impact.	We have increased engagement with engage tenants through existing groups but will continue to seek involvement of minority groups through these channels	Director of Tenancy Services, Housing Resident Engagement & Allocations	
Pregnancy or maternity	The proposed change is not expected to have a negative impact.	We have increased engagement with engage tenants through existing groups but will continue to seek involvement of minority groups through these channels	Director of Tenancy Services, Housing Resident Engagement & Allocations	

6. Decision on the proposed change

Based on the information outlined in this Equality Analysis enter **X** in column 3 (**Conclusion**) alongside the relevant statement to show your conclusion.

Equality Analysis

Decision	Definition	Conclusion - Mark 'X' below
No major change	Our analysis demonstrates that the policy is robust. The evidence shows no potential for discrimination and we have taken all opportunities to advance equality and foster good relations, subject to continuing monitoring and review. If you reach this conclusion, state your reasons and briefly outline the evidence used to support your decision.	
Adjust the proposed change	We will take steps to lessen the impact of the proposed change should it adversely impact the Council's ability to meet any of the Public Sector Duties set out under section 4 above, remove barriers or better promote equality. We are going to take action to ensure these opportunities are realised. If you reach this conclusion, you must outline the actions you will take in Action Plan in section 5 of the Equality Analysis form	X
Continue the proposed change	We will adopt or continue with the change, despite potential for adverse impact or opportunities to lessen the impact of discrimination, harassment or victimisation and better advance equality and foster good relations between groups through the change. However, we are not planning to implement them as we are satisfied that our project will not lead to unlawful discrimination and there are justifiable reasons to continue as planned. If you reach this conclusion, you should clearly set out the justifications for doing this and it must be in line with the duty to have due regard and how you reached this decision.	
Stop or amend the proposed change	Our change would have adverse effects on one or more protected groups that are not justified and cannot be mitigated. Our proposed change must be stopped or amended.	
Will this decision be considered at a scheduled meeting? e.g. Contracts and Commissioning Board (CCB) / Cabinet		Meeting title: Date:

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7. Sign-Off

Officers that must approve this decision	
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Equality Analysis

Equalities Lead	Name: Naseer Ahmad / Position: Interim Senior Equalities Officer	Date: 2401/2024
Director	Name: Position:	Date:

DRAFT

LONDON BOROUGH OF CROYDON

REPORT:	CABINET	
DATE OF DECISION	14 February 2024	
REPORT TITLE:	The Future of the Experimental Healthy Neighbourhoods	
CORPORATE DIRECTOR / DIRECTOR:	Nick Hibberd, Corporate Director of Sustainable Communities, Regeneration & Economic Recovery	
LEAD OFFICER:	Heather Cheesbrough Director of Planning and Sustainable Regeneration Abu Barkatoolah Project Manager and Report Author	
LEAD MEMBER:	Councillor Scott Roche, Cabinet Member For Streets and Environment	
KEY DECISION?	Yes	REASON: Decision significantly impacts on communities living or working in an area comprising two or more Wards
CONTAINS EXEMPT INFORMATION?	NO	N/A
WARDS AFFECTED:	Addiscombe East, Addiscombe West, Broad Green, South Norwood and Woodside	

1. SUMMARY OF REPORT

- 1.1 This report provides recommendations for the future of the seven Healthy Neighbourhoods that were first installed in May 2020. The Croydon schemes were swiftly implemented during the Covid-19 pandemic as temporary Low Traffic Neighbourhoods, using planters to close streets under Temporary Traffic Management Orders. Following feedback from residents, improvements were made to these schemes in September 2022. The full road closures and physical barriers on the majority of streets were removed to improve access for residents to their properties, and to allow visitors and other servicing to take place through a resident permit system. Funding for a future phases of Croydon Healthy Neighbourhoods were not taken forward, through a reallocation of the LIP active travel programme.
- 1.2 The Improvements to these schemes were introduced under time-limited Experimental Traffic Management Orders following the 30 July 2021 revision of the government Guidance. The Experimental Traffic Management Order for these schemes was implemented on 30th September 2022 for a period of 18 months and included a 6-month statutory objection period from 30th September 2022 to 30th March 2023.
- 1.3 This report considers the future of these seven legacy schemes that have been in place since May 2020 and as a result does not propose to introduce any new schemes.

1.4 During the first 6 months of the experimental order, the council sought the views of the local community via statutory consultation, encouraging them to provide feedback through the Get Involved online surveys and through the CHN specific email addresses, in addition to drop-in sessions during February and March 2023. The council carried out a monitoring exercise post the statutory consultation stage to assess the impact of the experimental scheme, and to report on the findings with recommendations tailored in accordance with the qualitative and quantitative research as detailed in this report. It should be noted that in general the statutory process for any Experimental Traffic Orders invites objections only during the first six months.

1.5 Table 1 below is a list of Healthy Neighbourhoods under Experimental Orders

Ref	Healthy Neighbourhoods	Boundary Roads	Wards
1	Albert Rd	Portland Rd	Woodside
2	Dalmally Rd	Morland Rd, Lower Addiscombe Rd and Blackhorse Rd	Addiscombe West
3	Elmers Rd	Woodside and Blackhorse Rd	Addiscombe West
4	Holmesdale Rd	Whitehorse Rd, Sth Norwood Hill, Selhurst Rd and Park Rd	South Norwood
5	Kemerton Rd (Residential Rd between two residential roads)	(Dartnell Rd and Jesmond Rd residential roads, point closure at end with Jesmond Rd)	(Addiscombe West
6	Parsons Mead	Dennett Rd, London Rd, Roman Way and Mitcham Rd	Broad Green
7	Sutherland Rd	Canterbury Rd, London Rd and Dennett Rd	Broad Green

2. RECOMMENDATIONS

For the reasons set out in the report, and having due regard to the outcome of the 1) statutory consultation, 2) engagement and monitoring exercise and 3) the equalities considerations as set out in section 14, 5) section 122 Road Traffic Act 1984 and 6) officer considerations as detailed in primarily paragraph 5 , the Executive Mayor in Cabinet, is recommended to:

- 2.1 **A)** To proceed with making permanent the Healthy Neighbourhood ref 1,2,3,4,6 and 7 as outlined below and to continue to work with residents to ensure signage is improved as where necessary to raise awareness.

Ref	Healthy Neighbourhood	Wards	Experimental Order	Order Ref
1	Albert Rd	Woodside	The Croydon (Traffic Movement)No17 Exp Order 2022	2022 No 63
2	Dalmally Rd	Addiscombe West	The Croydon (Traffic Movement)No12 Exp Order 2022	2022 No 29
3	Elmers Rd	Addiscombe West	The Croydon (Traffic Movement)No14 Exp Order 2022	2022 No 37
4	Holmesdale Rd	South Norwood	The Croydon (Traffic Movement)No16 Exp Order 2022	2022 No 58
6	Parsons Mead	Broad Green	The Croydon (Traffic Movement)No15 Exp Order 2022	2022 No 40
7	Sutherland Rd	Broad Green	The Croydon (Traffic Movement)No13 Exp Order 2022	2022 No 34

- B)** To remove The Kemerton Rd Healthy Neighbourhood, detailed below:

Ref	Healthy Neighbourhood	Ward	Experimental Order	Order Ref
5	Kemerton Rd (single residential road between two residential roads with a point closure at its end with Jesmond Rd)	Addiscombe West	The Croydon (Prohibition and Restriction of Stopping, Loading and Waiting) and (Free Parking Places) (No 3) Experimental Order 2022	2022 No 32

Kemerton Rd was closed at its junction with Jesmond Rd with lockable bollards which the emergency services can unlock in an emergency. There is no evidence to demonstrate that it was a road used by through traffic, and it does not form part of a wider healthy neighbourhood scheme. Residents who came to the drop-in sessions were not supportive of it remaining. The opening of the road to traffic would not necessarily create an opportunity for through traffic to by-pass any roads as it is a short length of highway between two main roads, no real gains in using it to access the road on either side.

- 2.2 To agree that officers will work with residents on adjustments to improve the following Croydon Healthy Neighbourhoods (CHN), Ref 1, 4 ,and 7 Subject to Paragraph 2.1 A

A) To work with residents of Albert Rd (Ref CHN 1) to agree adjustments that can be made between Eldon Rd and Harrington Rd. This section is currently unrestricted due to the on-going development requiring a temporary closure.

B) To work with residents of 1) Holmesdale HN (Ref CHN 4) to reduce the impact in Dixon Rd due to displaced traffic, and 2) to work with residents of Priory Rd and Wentworth Rd (Ref CHN 7) to reduce the impact caused by displaced traffic. Any adjustments to 1) and 2) will be integral to the 2024-25 TfL funded LIP programme to ensure the Healthy Neighbourhoods deliver a coherent approach to improving conditions in residential roads through reducing the degree on impact.

Ref	CHN	Unrestricted residential roads within HN subjected to displaced traffic	Residential Roads outside of HN subjected to displaced traffic	Experimental Order	Order Ref
4	Holmesdale Rd	Dixon Rd		The Croydon (Traffic Movement)No16 Exp Order 2022	2022 No 58
7	Sutherland Rd		Wentworth Rd and Priory Rd	None	None

2.3 Subject to approval of recommendations 2.1 above, to delegate authority to the Corporate Director of Sustainable Communities, Regeneration & Economic Recovery to undertake all measures necessary to make the above referenced experimental orders permanent Traffic Management Orders, including pursuant to the statutory requirements of the Road Traffic Management Act 1984 and Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996 and make arrangements for the enforcement thereof.

3. REASONS FOR RECOMMENDATIONS

3.1 The Experimental Schemes were monitored to test the effectiveness of the measures and independent polling surveys were also carried to seek views of all those who participated in the surveys. The technical assessment has indicated a raft of benefits which are described briefly below.

- Road safety benefits: Across many of the schemes there are sufficient benefits in road safety terms to support the decision to retain the healthy neighbourhoods. In general, the introduction of any scheme delivers benefits and disbenefits and more often the benefits outweigh the disbenefits. The technical assessments have indicated a reduction between 1.6 mph to 5 mph bringing speeds closer to 20 mph. Other benefits include reduction in 1) traffic volume in roads controlled by access measures and 2) injury collisions.
- The experimental schemes have created conditions where vulnerable road users have adjusted to low traffic streets and their perception of road danger has reduced. Table 6.14 provides a summary of the outcome of the assessment. The schemes meet Croydon's strategic transport objectives as per the Local Implementation Plan, along with those within the Executive Mayor of Croydon's Business Plan. On balance, the schemes have improved conditions for residents.
- Air Quality benefits. Nitrogen Dioxide, PM10 and PM2.5. Appendix 1a of this report includes a table showing the predicted air quality results for the largest improvements and the largest worsening across the study area. The modelling was based on traffic data pre and post measures. Pollutants emissions from vehicular traffic were modelled across the study area to gauge any predicted changes resulting from the measures in place. The modelling has predicted a reduction of:
 - 1) 14.5 tonnes of Nitrogen Oxides per year
 - 2) 2.2 tonnes of PM10 per year and
 - 3) 1.2 tonnes of PM2.5 per year.

Nitrogen Oxides and Nitrogen Dioxides are part of a group of gases which are emitted when fossil fuel is burnt at high temperatures, including oil-based fuels.

These are harmful to human health in particular can cause respiratory health issues in addition to harming the environment.

- 3.2 It is recommended that the Healthy Neighbourhood at Kemerton Rd be removed as it does not form part of any Healthy Neighbourhood in a similar manner to other residential roads within the group. It is one road with a point closure. The views expressed at the drop-in sessions were that it should be removed. Removing Kemerton Rd HN would not necessarily create a rat run as this road serves no gain as a through route. There is no historical data to demonstrate this road was a rat run prior to its closure.

4. AIM OF THIS REPORT AND HISTORICAL CONTEXT

- 4.1 The trial Experimental Healthy Neighbourhoods started out in May 2020 as a direct response to the Covid Pandemic and the first issuing of the statutory guidance on the 'Traffic Management Act 2004: Network Management to Support Recovery from COVID-19'. This called on local authorities to take swift action (and in any event to act within a matter of weeks) to create space for social distancing, walking and cycling, with the measures including using planters to close streets to create LTNs, as the country emerged from the first Lockdown in May 2020.

- 4.2 The Croydon schemes were swiftly implemented in May 2020 as temporary Low Traffic Neighbourhoods, using planters to close streets under Temporary Traffic Management Orders. These schemes were then adjusted and retained as experimental schemes under time limited Experimental Traffic Management Orders following the 30 July 2021 revision of the Guidance. The revised guidance and publication of the 'Gear Change' the government's Cycling and Walking Plan for England, gave clear expectation that local authorities to take measures to reallocate road space to people walking and cycling, explaining that: *'The focus should now be on devising further schemes and assessing COVID-19 schemes with a view to making them permanent. The assumption should be that they will be retained unless there is substantial evidence to the contrary.'* The current experiments were initiated to gather this evidence.

- 4.3 Following feedback from residents, improvements were made to the schemes in September 2022 as part of the schemes moving from temporary to experimental Traffic Management Orders. The full road closures on the majority of streets were removed, and camera enforcement replaced planters. Exemption permits are offered to motor vehicles belonging to the following groups of drivers, to enable them to drive into the CHN:

- Occupier within the zone, with a registered vehicle or a hire, company or courtesy car.
- School Staff
- Blue badge holders
- Essential health and care visitors, including relatives of residents with care needs.

In addition, motor vehicles belonging to the following groups and situations are automatically permitted to drive in a CHN, without first obtaining an exemption permit:

- Emergency services
- Buses
- Dial A Ride Vehicles
- Refuse collectors
- Universal postal service providers, such as the Royal Mail

- Exemptions stated in the Highway Code, such as with the permission or at the direction of a police officer

Improved warning signage and road markings were also put in place to ensure road users are aware of the restrictions.

4.4 **Matters to Consider when Deciding to Make a TMO**

The Orders to make the experiments permanent would be made under Section 9 of the Road Traffic Regulation Act 1984. In exercising its powers under the Act, the Council is required (by virtue of Section 122 of the Act) to secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians) and the provision of suitable and adequate parking facilities on and off street, whilst at the same time having regard to the following considerations:

- The desirability of securing and maintaining reasonable access to premises;
- The effect on the amenities of any locality affected
- Air quality;
- Facilitating the passage of public service vehicles and securing the safety and convenience of persons using them; and
- Any other matters appearing to the Council to be relevant

4.5 **Statement of Reasons for the ETMO:** The Order introduced an experimental access prohibition for motor vehicles, as part of a “Croydon Healthy Neighbourhood” or CHN scheme in the streets identified. The aim of a CHN is to make street more attractive for people in the following ways:

- Streets that are safer, cleaner, and quieter – addressing long-standing concerns from local residents around congestion and road safety.
- Streets that support more sustainable methods of travel like cycling or walking – addressing concerns around air pollution and the climate crisis.
- Streets that encourage and enable increased physical activity – addressing concerns about poor physical and mental health.

4.6 **Overview of the Statutory consultation:** The seven healthy neighbourhood schemes were all introduced under Experimental Orders which came into force on 30th September 2022. Integral to this 18 month Experimental order was a six month statutory consultation during which representations / objections could be made by those either directly and/or indirectly affected by the schemes, the statutory consultation ended on 30th march 2023. The manner in which representations could be made was through a survey link “Getinvolved” posted on the council web page for the schemes, additionally each scheme had a specific email address which was also used as a channel to make representation.

4.7 The table below outlines the total number of objections received form all seven Healthy Neighbourhood areas and external to the HN areas. All objections were considered with the exception of duplications.

CHN	Albert Rd	Dalmally Rd	Elmers Rd	Kemerton Rd	Sutherland Rd	Parsons Mead	Total number of objections received for all CHN
<i>Number of objections related to the schemes from getinvolved and emails</i>	87	9	19	14	33	25	187

4.8 Given that objections or representations were not specific to a category, they were common themes amongst the batch of objections received and the four main themes identified were:

1. Traffic displacement and access issues such as difficulties for service deliveries, increase journey times
2. Impact on community and environment (pollution, impact on mental well - being, personal safety etc)
3. Financial driver (council introduced scheme to raise revenue)
4. Other (poor communications, inadequate signage, etc)

4.9 **An indication of how the key objectives in the ETMO Statement of Reasons for the introduction of the 7 healthy neighbourhoods can be met**

- Road Safety: In general road safety can be measured by 1) a reduction in collision injuries through measures introduced and/or reduced road danger through 2) the reduction of traffic volume and/or 3) a marked reduction in 85%ile vehicular speed
- Reduce Pollution: NO2, PM10 and PM2.5 all measured in millionth of a gram per cubic metre of air. (micro gram / cubic metre). A reduction in car borne pollutants can be attributed to a reduction in the volume of traffic using a specific section of road. Caution needs to be applied to using this factor only given that pollution depends on many other factors including weather conditions and other emitters of pollutants in the surrounding area and beyond. etc and is not a single source measurement over a short duration. This is an area wide consideration over a longer timeframe. It must be recognised that concentration of pollutants such as PM10 and PM2.5 are smaller quantities and can result in negligible change in before and after scenarios in traffic reduction terms. What is more noticeable is the NO2 concentration of pollutant which is the dominant pollutant insofar as motorised transport is concerned.
- Increasing sustainable and active travel, walking/ cycling: Restricted access measures with residential streets are part of the solution to increasing cycling and walking journeys. The smart sensors which the council has introduced in 2022 were used to monitor both pedestrian and cycling activities. This is based on behavioural change and in some cases changes happens over a period of time. It can be difficult to quantify during an experimental period when behavioural change is in its infancy and people take longer timeframe to make lifestyle choices. Insofar as cycling is concerned whilst the residential streets can offer a quieter environment to cycle, getting to your destination often requires cycling beyond your neighbourhood areas. This can involve crossing main roads to permeate through other quieter residential streets and having safe cycle parking facilities at the end of your journey. These two components are key factors in creating a shift from car borne journeys to cycling.

Overview of the engagement and monitoring exercises.

- 4.10 Qualitative Research Community Engagement Events February 2023- March 2023: Community engagement events in the form of drop-in sessions took place across all HN over a two-week period. These were opportunities for the local community to have in-person conversations with council officers and voice their views / concerns. A summary of the analysis of the views/ comments received is included in this report. Eight drop-in sessions were held in total across February and March 2023.
- 4.11 Qualitative Research CHN Scientific Polling across all Healthy Neighbourhoods and along boundary roads. The council commissioned an independent research consultancy to carry out a scientific polling using in -person interviews and online surveys to seek views from all the healthy neighbourhoods currently in place under ETMO. A total of 7600 letters/ questionnaires were sent to all residents within the HN and along boundary roads, achieving a response rate of approximately rate of 3% (297 completed questionnaire received) A total of 552 in-person interviews were conducted within similar areas representing a sample size.
- 4.12 Quantitative Research Technical Monitoring: The healthy neighbourhoods (residential roads and main boundary roads) were monitored to evaluate how they have met the key objectives previously set out and evidence any demonstrable benefits / disbenefits. The key components of the monitoring exercise were traffic volumes and speed, air quality, road collisions, pedestrians and cycling trends.

5. ALTERNATIVE OPTION CONSIDERED:

Not to proceed with Recommendations 2.1 ,2.2 and 2.3 (Removal of Albert, Dalmally, Holmesdale, Parsons Mead and Sutherland Rd CHN)

5.1 Officers View: Road safety consideration

- 5.1.1 The introduction of measures within the group of healthy neighbourhoods has created an environment with reduced traffic since its implementation initially through planters followed by restricted access. These measures have now been in place for approximately 2+ years, consequently residents living within the bounds of the healthy neighbourhoods have adjusted to a calmer and pleasant environment even though there have been objections relating to key themes especially about traffic displacement.
- 5.1.2 One of the key by-products of a reduced traffic environment is the reduction of road danger. Road danger is seen primarily as a threat posed to vulnerable road users by the presence of high or through traffic volumes using residential roads as a short-cut. Road user perception of risk is important as danger is related to mobility. Increasing risk of road danger reduces the level of movements by pedestrians especially the elderly, thus reduces walking and cycling. Over the last 2+ years since the implementation of these measures, the outcome of the drop-in sessions has indicated that younger families have changed their behaviour through an increase in active travel, i.e walking to school and to other activities.
- 5.1.3 Creating quieter and safer residential streets within neighbourhood areas provides opportunities to deliver safer main road crossing points to connect neighbourhoods

and in so doing create safer routes for pedestrians and cyclists to reach their destinations through active travel. Additionally, knitting these areas together with cycle lanes through parks and improving the environment through tree planting delivers supports sustainable active travel across the borough.

- 5.1.4 The removal of all the CHNs would be a missed opportunity to improve the quality of the environment and people's lives through tackling a high traffic environment. Removing all measures and opening all residential roads to through traffic without restrictions would mean that residents would have to re-adjust to an environment where the risk of road danger would be higher in comparison to the status quo, and this could increase the conflict between motorised traffic and pedestrians / cyclists. Whilst drivers would make this adjustment very quickly, residents living within these areas would take time to adjust to a high traffic environment. Opening up roads to through traffic could be contrary to the council's statutory duty to improve road safety and reduce road danger at source.

6. CONSULTATION

- 6.1 Schemes introduced under an ETMO invite and must allow for objections to be made for a period of 6 months from the point they come into force. Objections are permitted from anyone affected by the scheme regardless of their status. The comments received during this objection period must be considered by the Council in determining whether any changes should be made to the experiment whilst it is in force and in considering whether to proceed to a permanent TMO following the experiment. The table below outlines in detail
- Responses received from "getinvolved" survey link and specific email addresses
 - Responses received from the statutory consultation and email addresses separately
 - The total number of objections considered per CHN
 - The total number of supports per CHN
 - The number of objections per CHN allocated to key themes
- 6.2 The full analysis of responses received from the statutory consultation appears at Appendix 1i
- 6.3 **Validation of Statement of Reasons Objectives with ref to technical analyses**
- 6.3.1 The technical analysis appears at Appendix 1i to this report
- 6.3.2 **Road Safety:** In general, the monitoring has indicated a reduction of 1.6 mph to 5 mph in traffic speed across all CHN, bringing speeds to below 20 mph posted limit and slightly above 20mph posted limit. Any reduction in traffic speed could contribute to a reduction in road collision occurring and more importantly a reduction in high severity injury collision. We have also seen a reduction in collision in some CHN whilst a slight increase in other CHN. In accordance with the Royal Society for the Prevention of Accidents 95% of all collision can be attributed to poor road user behaviour. Hence, where we have low traffic volumes in a residential street it does not necessarily mean the occurrence of road collisions will be eradicated. As stated, driver's behaviour is a main contributory factor to the occurrence of road collisions. Creating streets with low volume of traffic mean a decrease in road danger at source and increase in mobility either through walking and or cycling.

6.3.3 **Reduced Pollution:** The analysis has indicated a noticeable change in the level of NO2 which is the primary pollutant in vehicle emissions. Levels of PM10 and PM2.5 are considered too low to report. The initial level of NO2 pollution concentration was lower than the UK legal limit and mean objectives set. The current levels of NO2 are well below the UK mean objectives.

6.3.4 **Increase walking and cycling:** Smart sensors were introduced within the boundary of the CHN areas in 2022 and base line data before the measures were introduced were not available given that measures went in very quickly during the pandemic. The data we have thus far has indicated no change in trends for both cycling and walking. That said, the outcome of the drop-in sessions has indicated that some residents have switched to walking especially walking their children to school and feel the quieter streets offer a better walking environment.

7. CONTRIBUTION TO COUNCIL PRIORITIES

7.1 Neighbourhoods are aimed at delivering improved environments for our residents through less rat-running/traffic intrusion, less noise and improved air quality. Over time, the quieter and less trafficked roads can also promote and encourage a change in travel behaviour. Encouraging walking and cycling is key to tackle any physical and mental health issues, in so doing create a resilient and healthier community.

8. FINANCIAL IMPLICATIONS

8.1 Revenue and Capital consequences of report recommendation

The table below outlines the income and expenditure related to the Healthy Neighbourhoods

Revenue	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s	Total £000s
Total Income		-2,059	-3,757	-3,206	-2,928	-11,950
Total Expenditure		173	344	369	338	1,224
Surplus / Deficit		-1,886	-3,413	-2,837	-2,590	-10,727

Capital Expenditure	1,078	148	-	-	-	1,226
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The modelling indicates the current 6 Healthy Neighbourhoods will deliver a £10.7m surplus (over the course of 4 years) after operating costs from an initial £1.2m capital outlay.

The income projections stated above are based on the compliance curve provided by consultants, given the limited historical data we have to validate the model (HN schemes have only been implemented since Nov-23).

The approximate cost of making the 6 permanent Traffic Management Orders (TMOs) including officer time is expected to be £60,000. The capital budget for the

works is currently sitting within the LIP Capital programme where there is currently £165k of budget which was approved as part of the 2023 LIP Report.

There has been a change in political appetite for camera-controlled traffic calming measures. Future central government involvement could impact HN schemes.

8.2 Comments approved by Nish Narendran on behalf of the Director of Finance. (Date 18/01/2024)

9. LEGAL IMPLICATIONS

9.1 The Road Traffic Regulation Act 1984 (RTRA) and the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996 (LATOPR 1996) establish the procedures for making a traffic regulation order, (including an Experimental Traffic Regulation Order).

9.2 Once an experimental order is in force, any person may object to it becoming permanent within the period of 6 months from the date an experimental order comes into force. If the experimental order is amended, objections may be made within 6 months of that amendment coming into force. The statutory consultation responses received and set out in this report include the objections received pursuant to these provisions, to which the Council must have due regard in making its decisions.

9.3 In determining whether or not to make a traffic management order, the Council is required, under Regulation 9 of the LATOPR to consider whether it is under a duty under regulation 9(3) to hold a public inquiry before making an order. Even where an inquiry is not mandated, the Council may still choose to hold an inquiry to consider objections before making any other order. The report details officers' consideration of these elements.

9.4 Regulation 23 which governs making an experimental order permanent provides that the Council is able to rely on the truncated process for approval of an experimental order being made permanent provided that the requirements of Regulation 23(3) are met and the sole effect of an order ("a permanent order"), is to reproduce and continue in force indefinitely the provisions of an experimental order or of more than one such order ("a relevant experimental order"), whether or not that order has been varied or suspended under section 10(2) of the RTRA.

9.5 Regulations 6 (consultation), 7 (notice of proposals) and 8 (objections) of the LATOPR 1996 shall not apply to a permanent order where the requirements specified in regulation 23 (3) have been complied with in relation to each relevant experimental order.

9.6 The regulation 23(3) requirements are that— (a)the notice of making contained the statements specified in Schedule 5 of the LATOPR; (b)deposited documents (including the documents referred to in sub-paragraphs (c) and (e)) were kept available for inspection in accordance with Schedule 2 of the LATOPR throughout the whole of the period specified in regulation 22(4); (c)the deposited documents included a statement of the order making authority's reasons for making the experimental order; (d)no variation or modification of the experimental order was made more than 12 months after the order was made; and (e)where the experimental order has been modified in

accordance with section 10(2) of the RTRA, a statement of the effect of each such modification has been included with the deposited documents.

- 9.7 In applying regulations 10, 11 and 13 and Schedule 3 of LATOPR 1996 to a permanent order to which regulations 6, 7 and 8 do not apply by virtue of regulation 23 (2)— (a)the notices of making published in respect of each relevant experimental order shall be treated as the notice of proposals published under regulation 7(1)(a) in respect of the permanent order; (b)any objection made in accordance with the statement included by virtue of paragraph (3)(a) in the notice of making published in respect of a relevant experimental order shall be treated as an objection duly made under regulation 8 to the permanent order.
- 9.8 By virtue of section 122(1) of the RTRA, the Council must exercise its powers under that Act so as to secure the expeditious, convenient and safe movement of vehicular and other traffic including pedestrians, and the provision of suitable and adequate parking facilities on and off the highway. Decisions by the Courts show that this duty needs to be balanced in substance against the factors which may point in favour of imposing a restriction on that movement specified in section 122(2) RTRA. Broadly, these factors are, the desirability of securing and maintaining reasonable access to premises, the effect on the amenities of any locality affected, including the importance of regulating and restricting heavy commercial vehicles, the national air quality strategy, the importance of facilitating public service vehicles, and the safety and convenience of people using or wanting to use such vehicles, and any other matters appearing to the authority to be relevant.
- 9.9 The Council must have proper regard to the matters set out at section 122(1) and (2) RTRA and specifically document its analysis of all relevant section 122 RTRA considerations when reaching any decision.
- 9.10 Section 144 of The Greater London Authority Act 1999 places a duty on each London local authority to have regard to the Mayor of London's Transport Strategy when exercising any function. This therefore includes the exercise of the Council's general road network management duty under section 16 of the Traffic Management Act 2004, and when deciding whether to make a traffic order.
- 9.11 Where ANPR is used, the Council must ensure it adheres to the Investigatory Powers Commissioner's Office Guidance (previously Office of the Surveillance Commissioner) and Information Commissioner Guidance, where appropriate. Officers will need to ensure that data protection matters, including the use of ANPR are addressed via the necessary data protection impact assessments.

Comments approved by Sandra Herbert, Head of Litigation & Corporate Law on behalf of the Director of Legal Services and Monitoring Officer. (Date 15/12/2023)

10. EQUALITIES IMPLICATIONS

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

10.2 An EQIA has been undertaken for this service and show no adverse impact on any protected characteristics.

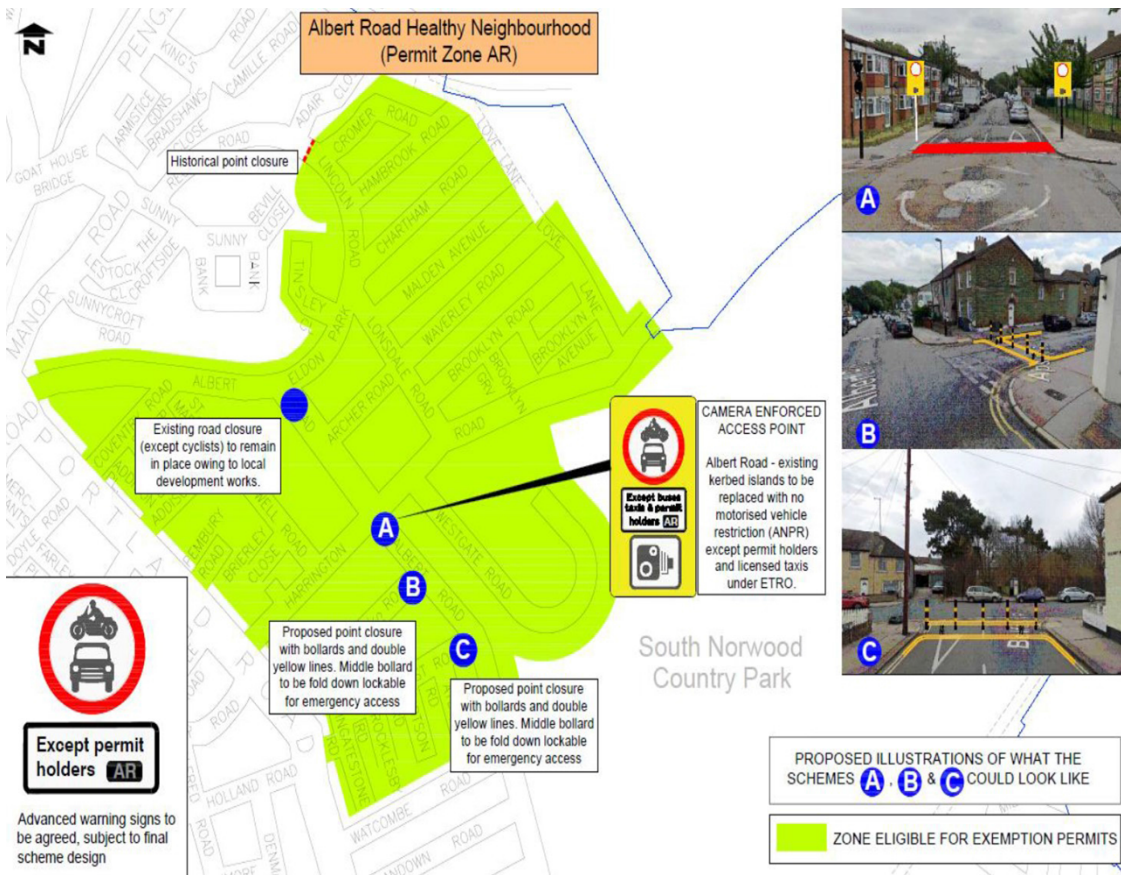
10.3 Comment approved by Naseer Ahmad on behalf of the Equalities Manager. (Date 18/12/2023)

11. APPENDICES

**Appendix A Location maps of Experimental CHN
Appendix Ai Analysis of Responses Received)
Appendix B – Equality Impact Assessment**

Appendix A

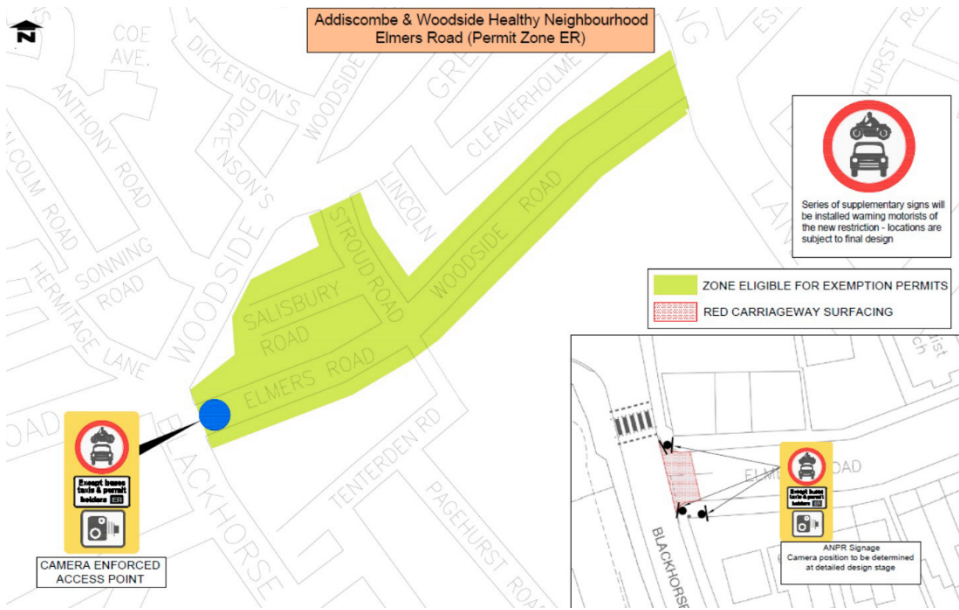
Albert Rd CHN Map



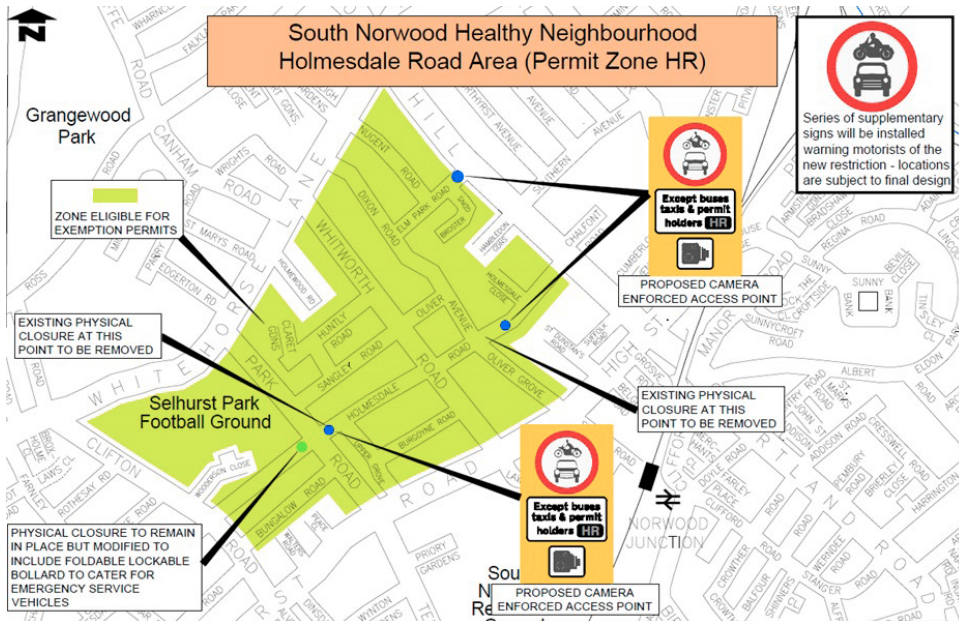
Dalmally Rd CHN map



Elmers Rd CHN map



Holmesdale Rd CHN map



Kemerton Rd CHN map



Parsons Mead CHN map



Sutherland Rd CHN map



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Appendix 1i.

Analysis of responses received from Statutory Consultation

Analysis of Objections received from both emails and statutory consultation through Getinvolved survey portal								
Ref	Responses received	CHN						Total number across all CHN
		Albert Rd	Dalmally Rd	Elmers Rd	Kemerton Rd	Sutherland Rd	Parsons Mead	
	Responses from specific CHN email	103	114	57	10	69	102	455
	Responses from statutory process Getinvolved portal	72	12	19	27	24	18	172
1	Total responses received	175	126	76	37	93	120	627
	Number of responses related to permit enquiries and other queries	86	106	56	23	60	95	426
	Relevant responses specific to measures in CHN from both emails and getinvolved from total responses	89	20	20	14	33	25	201
	Number of support	2	11	1	0	0	0	14
2	Number of objections related to the schemes from getinvolved and emails	87	9	19	14	33	25	187
	Number of objections from within CHN via Getinvolved portal identified through postcodes	44	1	4	1	4	1	55
	Number of objections from outside of CHN via Getinvolved portal identified through postcodes	25	6	13	6	19	12	81
	Number of Objections via email related to specific measures (postcodes not provided)	18	2	2	7	10	12	51
3 <i>(check)</i>	Total number of objections received via getinvolved and email	87	9	19	14	33	25	187
4	Analysis into key themes from total number of objections received(objectors gave more than one reason)							
a	Traffic displacement and access issues such as difficulties for service deliveries , increase journey times	48%	50%	44%	52%	53%	47%	
	Number of objections for Traffic displacement and access issues	42	4	9	7	16	12	90
b	Impact on community and environment (pollution, impact on mental well-being , personal safety etc)	28%	23%	12%	29%	30%	25%	
	Number of objections for impact on environment	24	3	5	4	9	7	52
c	Financial driver(council introduced scheme to raise revenue)	18%	27%	20%	19%	12%	21%	
	Number of objections for financial driver	16	2	3	3	6	5	34
d	Other (poor communications , inadequate signage, etc)	6%	0%	24%	0%	5%	7%	
	Number of objections for " Other"	5	1	1	1	2	2	11
	% Total	100%	100%	100%	100%	100%	100%	
	Total number of objections received	87	9	19	14	33	25	187

Appendix 2. Technical Assessments integral to the monitoring exercise

1.1 The objections received from both the “get involved” and specific email addresses were analysed and categorised into 4 key themes, in general one objection may contain numerous reasons. The key themes identified were:

- a) **Traffic displacement and access** (including traffic displacement, increased congestion, increased vehicle journey times and reduced access to service vehicles)
- b) **Financial drivers** (including CHN is seen as a revenue-making scheme, increasing household costs or taxes and negatively impacts businesses)
- c) **Impacts on the community and environment** (including, increased pollution, impacts on safety and impacts on mental well-being,)
- d) **Other** (including Poor communication about scheme, signage is inadequate/unclear/poor, and access to permits).

1.2 **Theme 1: Traffic displacement and access issues accounts for approximately 50% of all objections received, 90 objections across all CHN**

Traffic displacement issues: The objections received through the getinvolved surveys are related to traffic displacements on 1) roads which exist within the healthy neighbourhood areas but not restricted, 2) roads which adjoins healthy neighbourhoods and 3) main roads as a direct result of the restrictions. Similarly, residents who attended the drop-in sessions raised concerns about the level of traffic displacement in the surrounding areas and main roads. They raised concerns about the perceived increase in pollutant concentrations along main roads which have residential frontages, schools, retail frontages and high pedestrian activities.

The outcome of the traffic monitoring exercise has demonstrated the following:

- a) **a decrease in through traffic** across all healthy neighbourhoods within the **restricted roads**.
- b) **a decrease in traffic** on some main roads and **marginal increase** in traffic on other main roads
- c) **an increase in traffic in unrestricted roads which are within** the HN areas
- d) **an increase in traffic** in residential roads **adjoining** the HN areas.

It should be noted that the comparison of traffic movements was only possible where we had previous data as baseline and in some cases no data exist pre- introduction of the schemes. The data is also a comparison of the 7-day average for two-way movements and some increases are considered to be marginal. The decrease in traffic movements has created an improved environment for residents conducive to walking and cycling. The nature of the current schemes i.e, the lack of a comprehensive set of measures within each HN have created “through “routes for drivers who can still use some residential roads. These unrestricted routes have to be addressed in order to create a consistent approach to improving the quality of the HN and ensure the safety benefits are widespread. Similarly, a few residential roads which adjoins the current HN are now subjected to “through “traffic movements. They all have to be treated to ensure a consistent approach to traffic reduction and improved environment. This can be an integral part of additional community engagement where the technical evidence can play a key part in a co-design process working collaboratively with those residents mostly affected and with those least affected.

Boundary roads: On boundary roads the technical assessments have indicated a mixed set of data, some main roads have experienced a decrease in through traffic movements whilst others have seen a small increase. Any increases in traffic movements are considered low as far as traffic movements on main roads are concerned. For example, the highest increase in

traffic movements on a main road in accordance with the data is along Morland Rd or approx. 3000 vehicles over a 7 day 24-hour period. This equates to 18 vehicles per hour on average. These counts were taken at a point in time during the year and in general traffic on main roads fluctuates throughout the year. Traffic movements are dependent upon various factors which can impact on the operation of the main road network. Behavioural change can play a significant role in how the road network is used by car drivers and how traffic flow can fluctuate throughout the year. More importantly, we have not received any concerns from Transport for London Buses with regard to delays on the main road network as a result of the HN measures in place, nor have we received any concerns from the emergency services about any specific part of the main road network in close proximity of any HN.

Traffic speed: The monitoring exercise has indicated a reduction in the 85% percentile speed within the healthy neighbourhoods where we had previous data to use as a comparison, (this is the speed at which 85% of drivers considers this as a safe speed to travel under free flow condition). The range of speed reduction is between 1.6 to 5 mph achieving a speed either under or close to the 20pmh speed limit. In general, it has been identified through research that a reduction of 1 mph can reduce road injury collision by 5-6%, more importantly the severity of injury collisions is less as speed is reduced to near or below 20 mph. Local highway authorities have a duty of care to improve road safety on the public highway. Section 39 of the Road Traffic Act 1988 imposes a statutory obligation on every Highway Authority to promote and improve road safety.

Road injury collisions (all severities) within HN: the monitoring exercise has made an assessment of road collisions in relation to the experimental scheme in place. The collision study was carried over a 28 month (not 36 months as normal practice dictates) before and 28 months after given the availability of data post implementation of the scheme. In summary, the study indicates a **collision reduction** in Albert Rd HN, Holmesdale Rd HN and in Parsons Mead. No change in Elmers Rd HN

Conversely, the study indicates an **increase in** Dalmally Rd HN and similarly an increase in Sutherland Rd HN. The next stage is to analyse in detail these collisions and identify measures which could reduce the risks of future occurrence. There is no change in Parsons Mead HN. As stated previously road collisions are multifactor events and attributable to poor drivers behaviour.

Road injury collisions (all severities) boundary roads: In contrast, there has been an **increase** in road injury collisions on boundary roads. In general, main roads have higher collision rates due to the high volume of traffic they carry and high level of exposure. In general, road collisions are multifactor events and is defined as "An accident is a rare, random, multifactor event always preceded by a situation in which one or more road users have failed to cope with the road environment" (Ref: Royal Society for the Prevention of Accidents "RoSPA" in brief). The high volume and traffic mix on main roads increase the exposure of road users; additionally poor driver behaviour can add to the increased risk of collision occurrence. In accordance with RoSPA 95% of all road injury collisions are attributable to poor drivers' behaviour. The council has a programme for reducing the severity of road collision integral to the Vision Zero programme funded by Transport for London.

Access issues: The Council has published information online which includes how the permit system works and eligibility for access. The information is very comprehensive and should assist residents in meeting some of their essential needs. The web site is very clear about the eligibility for permits and allows up to three permits per household. Residents can contact the council in advance if they have specific needs for travel arrangements from their home addresses. Access to emergency and other statutory service vehicles are retained. The web site information can be accessed via [Exemption Permits | Croydon Council](#). The permit system includes the following

- Resident exemptions
- Temporary resident exemptions
- Carers Exemptions (up to 12 months as a regular carer)
- Blue Badge Exemptions

- Nursery and school staff exemptions

1.3 Theme 2: Impact on the environment due to increase in pollution etc 52 objections received

Officers view: The monitoring exercise has indicated a decrease in the level of pollutant concentration especially NO2 which is the dominant pollutants insofar as vehicular emissions are concerned. The level of pollutant concentration is well below the mean objectives for the UK. In general, the measures within the healthy neighbourhoods have contributed to an improved air quality. Some residents have commented on the benefits of perceived improved air quality as a direct result from lower volumes of traffic through their restricted streets.

1.4 Theme 3: Revenue raising scheme, 34 objections received

Officers View: The council is obliged to ring fence revenues from both parking enforcement and enforcement of traffic regulations for the purpose of maintaining the public highway in line with current legislation.

1.5 Theme 4: "Other" such as poor signage, poor communications from the council, no opportunity to participate etc, 11 objections received

Officers View: A few of the objections are related to poor communications about the entire healthy neighbourhood programme resulting in poor relationship between the council and residents. The manner in which these schemes were introduced has also raised objections given that residents felt they were no engagement and no opportunities to have they say. Additionally, a few residents felt that the current signage is confusing and can cause drivers to make u- turns just before the camera locations resulting in an increased risk to accidents. Signage for any highway schemes is designed in accordance with the Traffic Signs Regulations and General Directions 2016.

1.6 Community Engagements: Drop-in Sessions

Outcome of the Drop-in sessions held during February and March 2023

CHN Areas	Wards	Venues	Dates	Times
Dalmally Rd/ Ellmers/ Kemerton	Addiscombe East and Addiscombe West	Woodside Primary School Morland Rd CR06NF	Tuesday 8th Feb Wednesday 9th Feb	5-8pm
Holmesdale Rd	South Norwood	Stanley Arts Café 12 South Norwood Hill, SW256AB	Wednesday 15th Feb Thursday 16th Feb	5-8pm
Albert Rd	Woodside	St Marks Church Albert Rd, South Norwood, SE254JE	Monday 20 th Feb Wednesday 22 nd Feb	5-8pm
Parsons Mead/ Sutherland	Broad Green	Broad Green Library 89 Canterbury Rd CR03HA	Thursday 2 nd March Monday 6 th March	5-8pm

1.7 Summary of Findings from each CHN Drop-in session (key themes)

CHN Drop-in session	What some attendees liked about it (key comments)	What other attendees disliked about it (key comments)
Albert Rd	Some residents think that the roads within the CHN now feel quieter, less polluted and safer, making it more pleasant for people to walk and cycle	There were concerns that the CHN had displaced traffic (and pollution) onto other roads The CHN is making it more difficult for some residents to travel around the area by car Some roads now have vehicles needing to turn around as they can't get through It is making it harder to park in some areas, Some residents were confused about the permits process. Signage was also highlighted as an issue Safety concerns
Damally Rd	Reduced level of through traffic, safer and quieter streets	Money making scheme, no engagement, objectives were never made clear and communicated
Elmers Rd	Reduced level of through traffic, safer and quieter streets	Should be removed. Increased fear of crime, not addressing speeding, encourage U turns, displaced traffic
Kemerton Rd	No through traffic	Should be removed. Bollards look ugly, difficulty in turning around due to closure, increase in anti-social behaviour and crime
Holmesdale Rd	Reduced level of through traffic, safer and quieter streets	Traffic displacement on main roads and other roads within CHN, not addressed speeding, objectives never communicated by council, money making scheme, perception in fear of crime increasing poses danger to women.
Broad Green (Surtherland Rd and Parsons Mead	Only two attendees stated they felt the area had improved	Displaced traffic onto Wentworth and Priory Roads, and on London Rd and Mitcham Rd, speeding issues and drivers frustrated at congested residential roads taking displaced traffic

1.8 Community Engagements: Outcome of the Scientific Resident Polling

- 49% of all those who live within HN's were aware of HN in their area
- 58% were confident about their understanding of HN and the general idea that HN aimed at traffic reduction and improve the quality of their area was broadly understood.
- 6 out of 10 people surveyed were aware of the permit system
- Support for HN amongst those surveyed was around 58-61%
- There is 37% level of satisfaction within the Albert Rd CHN, lowest level within the cohort of CHN, in comparison with Holmesdale 39%, Dalmally (include Kemerton and Elmers Rd)50 %and Parsons Mead and Sutherland 53%
- Those who were surveyed acknowledged the improvement in the quality of their neighbourhood (road safety and more active travel) whilst also acknowledging the impact on bordering streets
- 1 in 3 who was polled said that less traffic is the best thing about HN
- 1 in 3 who was polled said it has encouraged more active travel
- Nearly half of those polled (48%) from boundary roads said diverting traffic on boundary roads was the main contention whilst 38% of those polled within HN said the same thing
- 7 in 10 residents in HN expressed the desire to be more involved "Local communities should be more involved in the planning and implementation of Healthy neighbourhoods"
- There is a perception that the narrative about camera enforcement was not clear, and people felt this was a finance driven scheme

- 21% of all those within the HN areas said they were “very likely” to commit to engaging with the council, whilst 45% said they were “quite likely” committed.

Quantitative Assessments and outcome

- 1.9 General status of roads within experimental Healthy Neighbourhoods:** At the time of their introduction a few roads which were considered “through routes” were closed to traffic by planters and later changed to restricted access measures. Not all roads within the healthy neighbourhoods have access restrictions and a few roads situated just outside of the HN boundaries were excluded. The unrestricted roads within the HN’s are used by through traffic wishing to gain access to main roads, causing displacement in these roads. Similarly, roads just outside of HN’s have suffered from traffic displacement as a result of the HN restrictions. The traffic monitoring exercise which was carried out has identified the level of displaced traffic in these roads and considerations to be given to any adjustments to ensure a coherent set of measures to maximise road safety benefits and further improvements to the quality of the urban space.
- 1.10 Summary of traffic survey methodology:** The adopted methodology relies on the analysis of before and after-intervention data from a number of different sources, captured from survey locations across the study area. As such, analysis has been limited to locations where both before and after data is available and change can be established. For analysis, the baseline data is taken from historic surveys taken between 2017 and 2019, used to inform various schemes and commissions from LBC and TfL. The Automatic Traffic Counts largely cover internal, neighbourhood roads sites. For boundary roads, baseline data has largely been taken from DfT permanent road traffic counters. It should be noted that these counters do not record speed and there is therefore an absence in ‘before’ speed data for many boundary road sites.
- 1.11 Cycle and Pedestrian Counts:** Numerous permanent Vivacity data sensors were introduced across the project area after the introduction of the Healthy Neighbourhoods. This data has been used to understand trends in pedal cycle and pedestrian flows since installation. Whilst there is no ‘before and after’ data, information on flows has been obtained for a 12-month period post-introduction of the HNs. The analysis was conducted to assess changes in cycle and pedestrian volumes from March 2022 to March 2023
- 1.12 General Traffic trends:** There is evidence to suggest that the borough may have experienced a sustained modal shift following the COVID-19 pandemic. Data collected from DfT counter sites across the borough (largely on principal or major roads) shows an increase in cycles and a decrease in vehicles from 2019 to 2022. Cycle flows were 11735, equivalent to a 29% increase on 2019 counts. The table below shows the trends in mode types from 2019-22.

Mode Type	2019	2022	% increase or decrease
Cycles	9119	11735	+29%
P2W	24534	32055	+31%
Cars	112038 5	1031463	-8%
Buses	27033	26128	-3%
LGV	206434	220557	+7%
HGV	35285	41253	+17%

- 1.13 Journey times evaluation:** Traffic data pertaining to journey times is usually supplied by The Flow. They collect raw traffic data using telematics technology from mobility sensors, tracking journeys made by car. The time taken to get between locations can then be compared

for different dates of reference. The data comes from app data of drivers on specific insurance policies which request vehicle tracking. The data is provided as an anonymous, 'big data' dataset. It reports on various metrics relevant to car insurers such as speed, smoothness and distraction. The travel times are estimated using GPS data with locational measures given a temporal match. Errors in either of these measures, however, would affect the reliability of the journey times calculated. Large organisations such as the DfT complete a process of data validation when using telematics data as a means of quality assurance. Therefore, given the gaps in the data set and potential anomalies it was considered not practicable to report on journey times given the inconsistencies. Furthermore, journey times can also be provided by Transport for London through their "ibus" data, unfortunately they only keep data for two years at a time. Again, not possible to retrieve data over the study period.

In general journey times on the main road network are affected on a daily basis given the nature of traffic mix, volume fluctuations and potential occurrence of incidents at a particular location which can impact on roads on a wider basis.

1.14 Traffic and Road Safety Analyses (CHN Albert, Dalmally and Elmers)

Summary of monitoring data from Experimental CHN as compared with Baseline Data				
Ref		CHN Albert Rd	CHN Dalmally Rd	CHN Elmers Rd and CHN Kemerton Rd
	Access Restricted Roads within CHN	Albert Rd / Eldon Rd, Albert Rd / Harrington Rd, Apsely Rd/ Albert Rd and Belfast Rd /Albert Rd	Dalmally Rd j/w Blackhorse Rd	Elmers Rd
	Monitoring Themes			
1	Traffic Movements over 24 hrs for 7 days two way			
1a	Traffic Movements in access restricted roads and / or within close proximity of restrictions	Decrease from 1271 vehs to 1121 vehs in Harrington Rd ,	Decrease from 4150 to 3465 vehs across roads within restricted cell	Ave Decrease from 1346 to 995 vehs across restricted roads
1b	Traffic movements in unrestricted roads within CHN	Increase from 1285 to 1545 vehs in Eldon Park CHN	As above	NA
1c	Traffic movements on residential roads just outside of CHN	Decrease from 6890 to 5660 vehs in all roads outside of chn restrictions	N/A	Ave Decrease from 1097 to 839 vehs in roads just outside of restricted area
2	Boundary Roads			
2a	Traffic movements along boundary roads	Decrease from 13068 to 12073 vehs along Portland Rd	Increase from 6225 vehs to 9354 vehs along Morland Rd , Lower addiscombe Rd	Increase from 6225 vehs to 9354 vehs along Morland Rd , Lower addiscombe Rd
		Increase from 19101 to 20211 vehs along Penge Rd		
3	Road Safety			

3a	85%ile speed within cell	Average decrease in 85%ile speed from 23 mph to 18mph in restricted streets	Ave Decrease of 85%ile speeds from 27mph to 22 mph across restricted cell	Ave Decrease in 85%ile speed from 27mph to 23 mph in restricted cell
3b	85%ile speed on boundary roads	average 85ile% speed below 30mph	average 85ile% speed below 30mph	average 85ile% speed below 30mph
3c	Road Collisions within CHN cell 28 months to April 2020	4 (slight)	1 (slight)	1 (slight)
3d	Road Collisions within CHN cell 28 months to 2022	3(slight)	3 (2 serious + 1 slight)	1 (slight)
3e	change based on collisions on ave per year over 27 months	1 (slight)	3 (2 serious + 1 slight)	0
3f	Road Collisions on Boundary Roads 28 months to April 2020	137	40	22
3g	Road collision on Boundary Roads 27 months to 2022	161	52	40
3h	change based on collisions per year on ave over 27 months	24	12	18
4	Traffic Mix within CHN cell			
4a	Cycling trends using Smart Sensors	Negligible change between March 2022 to March 2023, as smart sensors were introduced post CHN	Negligible change between March 2022 to March 2023, as smart sensors were introduced post CHN	Negligible change between March 2022 to March 2023, as smart sensors were introduced post CHN
4b	Pedestrian trends using Smart Sensors	Negligible change between March 2022 to March 2023, as smart sensors were introduced post CHN	Negligible change between March 2022 to March 2023, as smart sensors were introduced post CHN	Negligible change between March 2022 to March 2023, as smart sensors were introduced post CHN
	Key			
	Decrease		Increase	

1.15 Traffic and Road Safety Analyses (CHN Holmesdale, Parsons Mead and Sutherland)

	Summary of monitoring data from Experimental CHN as compared with Baseline Data			
Ref		CHN Holmesdale	CHN Parsons Mead	CHN Sutherland
	Access Restricted Roads within CHN	Holmesdale and Elm Park Rd	Parsons Mead and Derby Rd	Sutherland Rd
	Monitoring Themes			
1	Traffic Movements comparing 7 day ave two way movements May 2019 vs May 2023			

1a	Traffic Movements in access restricted roads and / or within close proximity of restrictions	Ave Decrease from 1482 vehs to 901 vehs across most roads within cell.	Decrease of 3287 vehs from 6656 to 3369 vehs in Derby Road	Decrease of 79 vehs from 311 to 232 vehs in Lambeth Rd
				Increase of 21 vehs from 895 to 916 vehs in Fairholme Rd, increase of 121 vehs from 677 to 798 vehs in Pemdevon Rd
1b	Traffic movements in unrestricted roads within CHN	Increase in Dixon Rd from 810 vehs to 1198 vehs	NA	NA
1c	Traffic movements on residential roads just outside of CHN	N/A	NA	Increase of 278 vehs from 930 to 1208 vehs in Priority Road, increase of 972 vehs from 962 to 1934 vehs in Wentworth Rd
2	Boundary Roads			
2a	Traffic movements along boundary roads	Decrease along Park Rd, Decrease along South Norwood Hill, Decrease along South Norwood Hill	Decrease of 14520 vehs (from 30095 to 15575 vehs) along London Rd, and decrease of 11531 (from 25197 to 13666 vehs) along Sumner Rd.	Decrease in Canterbury Rd
			Increase of 6298 vehs from 26544 to 32842 vehs along Roman Way	Increase of 414 vehs from 20229 to 20643 vehs in Mitcham Rd
3	Road Safety			
3a	85%ile speed within cell	Decrease of 5 mph from 27 mph to 22mph on ave across CHN cell	Decrease of 1.6 mph from 18.8 to 17.2 mph 85%ile speed in Derby Rd, Decrease of 1.7 mph in Lambeth Rd to 14.1 mph	Decrease of 2 mph in Fairholme and Pemdevon to 18 mph
3b	85%ile speed on boundary roads	85%ile speed is below 30mph limit	85%ile speed below 30mph limit	85%ile speed below 30mph limit
3c	Road Collisions within CHN cell 28 months to April 2020	10 (2 serious + 8 slight)	6 (5 slight + 1 serious)	3 (slight)
3d	Road Collisions within CHN cell 28 months to 2022	2 (serious)	6(5 slight +1 serious)	7 (slight)
3e	change based on collisions on ave per year over 27 months	8 (slight)	0	4 (slight)
3f	Road Collisions on Boundary Roads 28 months to April 2020	53	73	80

3g	Road collision on Boundary Roads 27 months to 2022	64	101	110
3h	change based on collisions per year on ave over 27 months	11	28	30
4	Traffic Mix within CHN cell			
4a	Cycling trends using Smart Sensors	Negligible change between March 2022 to March 2023, as smart sensors were introduced post CHN	Negligible change between March 2022 to March 2023, as smart sensors were introduced post CHN	Negligible change between March 2022 to March 2023, as smart sensors were introduced post CHN
4b	Pedestrian trends using Smart Sensors	Negligible change between March 2022 to March 2023, as smart sensors were introduced post CHN	Negligible change between March 2022 to March 2023, as smart sensors were introduced post CHN	Negligible change between March 2022 to March 2023, as smart sensors were introduced post CHN
Key				
Decrease		Increase		

1.16 **Air Quality Assessment:** In general, the main pollutant of concern in Croydon is NO₂ and road transport is the main source of NO₂ and particulate matter. The average mean objectives for NO₂, PM₁₀ and PM_{2.5} are listed below:

Pollutants	Average Mean Objectives for UK (microgram is a unit of mass equal to one millionth of a gram)
NO ₂	40 microgram /m ³
PM ₁₀	40 microgram /m ³
PM _{2.5}	20 microgram /m ³

1.17 The traffic control measures implemented as part of the Healthy Neighbourhoods' scheme have the potential to result in air quality impacts from changes in traffic emissions associated with the measures, due to rerouting of traffic near the measures and on the wider road network. Therefore, an air quality assessment¹ was undertaken to determine the potential air quality impacts of the Health Neighbourhoods. To determine the impacts, air quality concentrations were predicted at selected receptors (e.g., residential properties, schools or hospitals) located within each of the Healthy Neighbourhoods and surrounding roads using an air quality model. Traffic data was provided for 2019, before the measures were in place, and for 2022, with the measures in place. To determine the effects of the measures alone, rather than changes to background air quality, changes in vehicle emissions, and traffic growth between 2019 and 2022, the 2019 traffic data was factored to 2022 to enable a fairer comparison of the with and without measures scenarios. Monitoring data was used to verify the model outputs by

comparing the annual mean 2022 monitored and modelled concentrations and adjusting the model outputs to account for discrepancies between the monitored and modelled concentrations. The results presented in the table show the receptors within each Healthy Neighbourhood that are predicted to have the largest improvement and largest worsening in NO₂ concentrations resulting from the Healthy Neighbourhood measures. It should be noted that the largest concentrations and changes in concentrations were for NO₂, and changes in PM₁₀ and PM_{2.5} were determined as being negligible in accordance with best practice guidance significance criteria

Conclusion:

1.18 As indicated in the table below, it can be concluded that the measures may have resulted in an overall improvement in air quality across most of the Healthy Neighbourhoods, with some receptors seeing a moderate beneficial decrease in NO₂ concentrations. Some receptors were predicted to experience an increase in pollutants as a result of the Healthy Neighbourhoods, which is likely to be due to rerouted traffic on adjacent roads. However, in terms of significance, these increases were negligible in accordance with best practice guidance significance criteria. Pollutant concentrations at all assessed receptors within the Healthy Neighbourhoods and surrounding areas were predicted to be below the Air Quality Strategy objectives for NO₂, PM₁₀ and PM_{2.5}. In addition, there is an overall reduction in emissions of NO_x, PM₁₀, PM_{2.5} and CO₂ as a result of the Healthy Neighbourhood measures.

1.19 Table showing results of assessments

Modelling Results for the Receptors with the Largest Improvement and Worsening in each Healthy Neighbourhood

Receptor	Location	Annual Mean NO ₂ Concentration (µg/m ³)			Impact Descriptor using Best Practice Guidance Significance Criteria
		2022 (without measures)	2022 (with measures)	Change	
Holmesdale Road Healthy Neighbourhood*					
HR9	South Norwood Hill	28.3	25.1	-3.2	Slight Beneficial
Elmers Road Healthy Neighbourhood*					
ER6	Lower Addiscombe Road	27.9	26.5	-1.4	Negligible
Dalmally Road Healthy Neighbourhood					
DR8	Lower Addiscombe Road	30.7	24.4	-6.3	Moderate Beneficial
KR9**	Morland Road	22.6	22.7	0.1	Negligible
Kemerton Road Healthy Neighbourhood					
KR13	Lower Addiscombe Road	34.0	31.0	-3.0	Moderate Beneficial
AR9**	Portland Road	22.6	24.5	1.9	Negligible
Parsons Mead Healthy Neighbourhood					

SR1**	Sumner Road	33.9	28.0	-5.9	Moderate Beneficial
PM3	Roman Way	24.9	25.8	0.9	Negligible
Sutherland Road Healthy Neighbourhood					
SR1	Sumner Road	33.9	28.0	-5.9	Moderate Beneficial
SR6	Wentworth Road	22.2	22.4	0.2	Negligible
Albert Road Healthy Neighbourhood					
AR13	Elmers End Road	31.0	27.3	-3.7	Moderate Beneficial
AR9	Portland Road	22.6	24.5	1.9	Negligible

* At the Holmesdale Road and Elmers Road Healthy Neighbourhoods, none of the selected receptors were predicted to experience worsening in air quality as a result of the Healthy Neighbourhood measures.

** This receptor has an ID associated with a different Healthy Neighbourhood but represents a receptor affected by more than one Healthy Neighbourhood.

	negligible
	slightly beneficial
	moderate beneficial

Emission Impacts

1.20 Total emissions of NO_x, PM₁₀, PM_{2.5} and CO₂ have been calculated for the 2022 growth-factored (without the measures) and 2022 (with the measures) scenarios. The emissions have been calculated using the entire traffic datasets provided, and therefore take into consideration the impact of all Healthy Neighbourhoods combined. The total emissions are presented in the table below:

Pollutant Emissions Across the Study Area

	Total NO _x Emissions (tonnes/year)	Total PM ₁₀ Emissions (tonnes/year)	Total PM _{2.5} Emissions (tonnes/year)	Total Direct CO ₂ Emissions* (tonnes/year)	Total Indirect CO _{2e} Emissions** (tonnes/year)
2022 growth-factored (without measures)	62.8	10.6	5.6	51,261.6	395.3
2022 (with measures)	48.3	8.4	4.4	40,819.1	295.2
Change in emissions	-14.5	-2.2	-1.2	-10,442.5	-100.1

*Direct CO₂ includes emissions from the vehicle tailpipe.

** Indirect CO_{2e} (CO₂ equivalent) emissions are associated with the charging of the batteries of electric and plug-in hybrid

The results indicate that there is predicted to be a decrease in emissions across the study area for all pollutants with the Healthy Neighbourhoods in place. CO₂ does not have a direct impact on human health, however, it is a greenhouse gas and therefore the total change in emissions for this pollutant has also been considered. The CO₂ emissions are split into direct emissions, which include emissions directly from the vehicle, and indirect CO₂e emissions, which are the emissions associated with electric vehicle charging. Overall, there is predicted to be a decrease in total emissions of all pollutants across the study area, with the Healthy Neighbourhood measures in place.

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Equality Analysis Form

1. Introduction

1.1 Purpose of Equality Analysis

The council has an important role in creating a fair society through the services we provide, the people we employ and the money we spend. Equality is integral to everything the council does. We are committed to making Croydon a stronger, fairer borough where no community or individual is held back.

Undertaking an Equality Analysis helps to determine whether a proposed change will have a positive, negative, or no impact on groups that share a protected characteristic. Conclusions drawn from Equality Analyses helps us to better understand the needs of all our communities, enable us to target services and budgets more effectively and also helps us to comply with the Equality Act 2010.

An equality analysis must be completed as early as possible during the planning stages of any proposed change to ensure information gained from the process is incorporated in any decisions made.

In practice, the term '**proposed change**' broadly covers the following:-

- Policies, strategies and plans;
- Projects and programmes;
- Commissioning (including re-commissioning and de-commissioning);
- Service review;
- Budget allocation/analysis;
- Staff restructures (including outsourcing);
- Business transformation programmes;
- Organisational change programmes;
- Processes (for example thresholds, eligibility, entitlements, and access criteria).

2. Proposed change

Directorate	Sustainable Communities, Regeneration & Economic Recovery Directorate
Title of proposed change	Croydon Experimental Healthy Neighbourhoods
Name of Officer carrying out Equality Analysis	Abu Barkatolah

2.1 Purpose of proposed change (see 1.1 above for examples of proposed changes)

The council previously introduced low traffic neighbourhoods using planters to effect road closures integral to a specific directive from central government during the covid period. It was aimed at maximising opportunities to promote active travel, using the decreasing trend of motorised traffic during Covid. These planters were later removed and measures to restrict access to residents and their visitors were later introduced to ensure those who live within these areas could access their residential streets without the need to drive longer routes to do so. These measures were introduced using Experimental Powers, section 9 of the Road Traffic Regulation Act 1984 and came into force on 30th September 2022. The previously named low traffic neighbourhood became Croydon experimental healthy neighbourhoods with a view to monitor their impact over the course of the experimental stages and report to cabinet on the outcome.

The Council has published information online which includes how the permit system works and eligibility for access. The information is very comprehensive and should assist residents in meeting some of their essential needs. The web site is very clear about the eligibility for permits and allows up to three permits per household. Residents can contact the council in advance if they have specific needs for travel arrangements from their home addresses. Access to emergency and other statutory service vehicles are retained. The web site information can be accessed via

[Exemption Permits | Croydon Council](#). The permit system includes the following

- Resident exemptions
- Temporary resident exemptions
- Carers Exemptions (up to 12 months as a regular carer)
- Blue Badge Exemptions
- Nursery and school staff exemptions

Community engagement activities were carried out during February and March 2023 seeking views of those who live within the healthy neighbourhood areas and also those who live on the boundary roads. A monitoring exercise was undertaken during spring to summer of 2023 to assess the impact of the restricted access measures, the quantitative assessments included changes in : traffic volumes, road collisions, air quality, the qualitative assessments included polling surveys to assess attitudinal changes.

The proposed change 1): the council is proposing to make six of the healthy neighbourhoods permanent as a result of some of the key benefits identified through the monitoring exercise and engagements. Reducing traffic volumes in residential roads can improve the quality of life through a reduction in traffic noise, pollution, road collisions and perception of road danger. It is also aimed at promoting active travel i.e walking and cycling. High volume of traffic can be intimidating to vulnerable road users especially the elderly who may not feel safe, and this can cause social exclusion which can have an impact of their physical and mental well being. Making the experimental healthy neighbourhoods permanent will be highly beneficial for all residents irrespective of age, gender, race etc. It is also beneficial in terms of encouraging parents

and children to walk to school which can have a positive outcome on the health and well being of the school community. The permit system will remain in place to service the needs of residents and their visitors.

3. Impact of the proposed change

Important Note: It is necessary to determine how each of the protected groups could be impacted by the proposed change. Summarise any positive impacts or benefits, any negative impacts and any neutral impacts and the evidence you have taken into account to reach this conclusion. Be aware that there may be positive, negative and neutral impacts within each characteristic.

Where an impact is unknown, state so. If there is insufficient information or evidence to reach a decision you will need to gather appropriate quantitative and qualitative information from a range of sources e.g. Croydon Observatory a useful source of information such as Borough Strategies and Plans, Borough and Ward Profiles, Joint Strategic Health Needs Assessments <http://www.croydonobservatory.org/> Other sources include performance monitoring reports, complaints, survey data, audit reports, inspection reports, national research and feedback gained through engagement with service users, voluntary and community organisations and contractors.

3.1 Deciding whether the potential impact is positive or negative

Healthy neighbourhoods are aimed at 1)reducing the impact high volumes of traffic within residential roads can have on the quality of life, and 2) promote active travel and increase social inclusion. This is important as in Croydon, we have a growing issue with obesity in the population, including children. Croydon has the fourth largest proportion of young people in London, with one in four Croydon residents (24.5%) aged between 0-17 years*.

Air pollution is an important public health issue contributing to illness and shortened life expectancy, that disproportionately impacts on the most vulnerable in the population, in particular the sick, young and elderly.

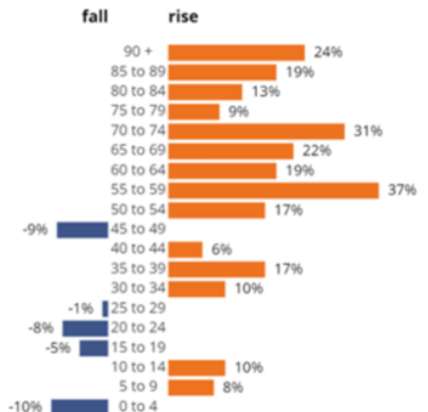
The 2011 Census figures showed that 14.1% of the population in Croydon had their day-to-day activities limited to some extent by a long-term health problem or disability.

* Source: Croydon Observatory www.croydonobservatory.org

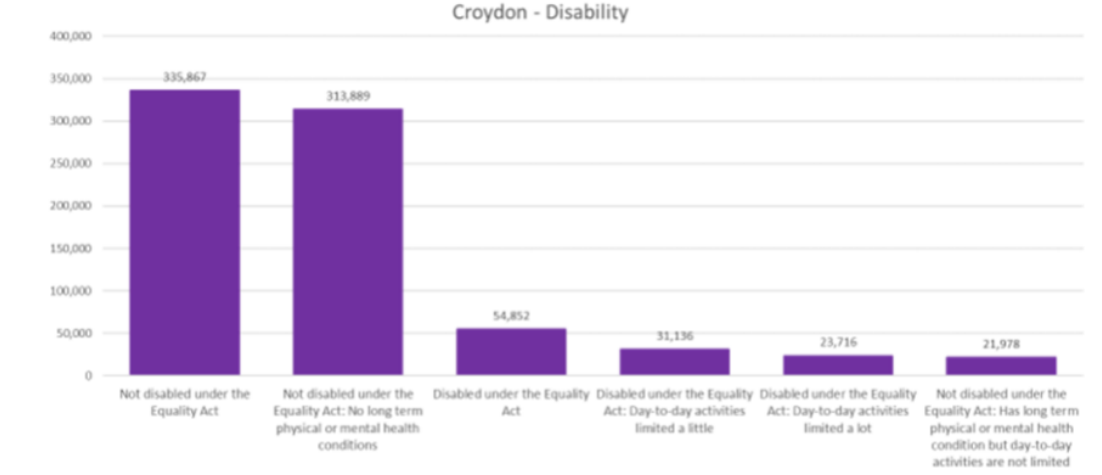
+ Source: *Patterns and trends in child obesity in Croydon; A presentation of 2019/20 NCMP data at local authority level, July 2021*

Table 1 – Positive/Negative impact

For each protected characteristic group show whether the impact of the proposed change on service users and/or staff is positive or negative by briefly outlining the nature of the impact in the appropriate column. . If it is decided that analysis is not relevant to some groups, this should be recorded and explained. In all circumstances you should list the source of the evidence used to make this judgement where possible.

Protected characteristic group(s)	Positive impact	Negative impact	Source of evidence																																								
Age	<p>The healthy neighbourhood schemes (those streets which are restricted) in place provide quieter and safer streets for residents of all ages. A reduction in traffic volume within the restricted streets creates safer streets through a reduction in perceived road danger. The by-product of reduced traffic volume is improved air quality. Elderly residents will benefit from less traffic and a reduction in road danger as they can be encouraged to be more active through walking and increase their social activities, be more inclusive and improve their well being. Thus creating cohesive communities which in turn result in resilient communities</p>	<p>The making of the experimental scheme permanent will not impact negatively on any protected characteristics as the scheme and the permit system which operates the scheme is already in place and has been for the last 12+ months</p> <p>The monitoring exercise has demonstrated that some streets within a couple of healthy neighborhoods which are not restricted are subjected to displaced traffic. Consequently, the continued high volume of traffic is impacting on the quality of residents of all ages living in these streets. To counter this negative impact the council will engage</p>	<ul style="list-style-type: none"> Air quality action plan 2017 – 2022. <p><u>Population change (%) by age group in Croydon 2011-2021</u></p> <p>This is how Croydon compares. There has been an increase of 19.7% in people aged 65 years and over, an increase of 7.0% in people aged 15 to 64 years, and an increase of 1.9% in children aged under 15 years.</p>  <table border="1"> <caption>Population change (%) by age group in Croydon 2011-2021</caption> <thead> <tr> <th>Age Group</th> <th>Change (%)</th> </tr> </thead> <tbody> <tr><td>90 +</td><td>24%</td></tr> <tr><td>85 to 89</td><td>19%</td></tr> <tr><td>80 to 84</td><td>13%</td></tr> <tr><td>75 to 79</td><td>9%</td></tr> <tr><td>70 to 74</td><td>31%</td></tr> <tr><td>65 to 69</td><td>22%</td></tr> <tr><td>60 to 64</td><td>19%</td></tr> <tr><td>55 to 59</td><td>37%</td></tr> <tr><td>50 to 54</td><td>17%</td></tr> <tr><td>45 to 49</td><td>-9%</td></tr> <tr><td>40 to 44</td><td>6%</td></tr> <tr><td>35 to 39</td><td>17%</td></tr> <tr><td>30 to 34</td><td>10%</td></tr> <tr><td>25 to 29</td><td>-1%</td></tr> <tr><td>20 to 24</td><td>-8%</td></tr> <tr><td>15 to 19</td><td>-5%</td></tr> <tr><td>10 to 14</td><td>10%</td></tr> <tr><td>5 to 9</td><td>8%</td></tr> <tr><td>0 to 4</td><td>-10%</td></tr> </tbody> </table>	Age Group	Change (%)	90 +	24%	85 to 89	19%	80 to 84	13%	75 to 79	9%	70 to 74	31%	65 to 69	22%	60 to 64	19%	55 to 59	37%	50 to 54	17%	45 to 49	-9%	40 to 44	6%	35 to 39	17%	30 to 34	10%	25 to 29	-1%	20 to 24	-8%	15 to 19	-5%	10 to 14	10%	5 to 9	8%	0 to 4	-10%
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	<p>Parents will be more encouraged to walk their children to school and increase their level of physical activities as quieter streets provide a better environment.</p> <p>Public Health (NHS) data shows that Croydon currently have the highest rate of hospital admissions for childhood (0-9 years) asthma in London. 7.5% of premature deaths in Croydon are linked to air pollution. Failing to address NOx and particulate matter emissions in Croydon would deprive many local people of their fundamental right to safe air. Public Health data shows one in four Croydon residents (24.5%) aged between 0-17 years. It is known that around 1 in 5 children (21.8%) in reception were overweight or living</p>	<p>with these residents to make any adjustments as appropriate to ensure they are not impacted by displaced traffic and their quality of life is improved.</p>	
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	<p>with obesity, and this position worsens in their last year of primary school (Year 6) where around 2 in 5 children (39.5%) were overweight or living with obesity.</p>																
<p>Disability</p>	<p>The existing permit system caters for all residents including those who have mobility impairment. The permit system also allows for carers to be able to serve the needs of the elderly and in some cases regular carers can have a permit duration for 12 months.</p> <p>The permit system is already in place and no modifications to the permit system is being planned</p> <p>Reducing road danger also has the potential to enable more people to participate in active travel who may previously have been discouraged to so perhaps because of their disability. For example, those elderly residents who</p>	<p>The making of the experimental scheme permanent will not impact negatively on any protected characteristics as the scheme and the permit system which operates the scheme is already in place and has been for the last 12+ months</p>	<p>Air quality action plan 2017 – 2022</p> <p>Blue Badge Scheme</p> <p>Croydon Observatory</p> <p>Disabled Parking Accreditation Scheme in association with Disabled Motoring UK.</p> <p>Disability</p>  <table border="1"> <caption>Croydon - Disability</caption> <thead> <tr> <th>Category</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>Not disabled under the Equality Act</td> <td>335,867</td> </tr> <tr> <td>Not disabled under the Equality Act: No long term physical or mental health conditions</td> <td>313,889</td> </tr> <tr> <td>Disabled under the Equality Act</td> <td>54,852</td> </tr> <tr> <td>Disabled under the Equality Act: Day-to-day activities limited a little</td> <td>31,136</td> </tr> <tr> <td>Disabled under the Equality Act: Day-to-day activities limited a lot</td> <td>23,716</td> </tr> <tr> <td>Not disabled under the Equality Act: Has long term physical or mental health condition but day-to-day activities are not limited</td> <td>21,978</td> </tr> </tbody> </table>	Category	Count	Not disabled under the Equality Act	335,867	Not disabled under the Equality Act: No long term physical or mental health conditions	313,889	Disabled under the Equality Act	54,852	Disabled under the Equality Act: Day-to-day activities limited a little	31,136	Disabled under the Equality Act: Day-to-day activities limited a lot	23,716	Not disabled under the Equality Act: Has long term physical or mental health condition but day-to-day activities are not limited	21,978
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	<p>require assistance for walking due to their disability may be encouraged to walk more and able to cross the road without being fearful of speeding and high volume of traffic.</p>											
Sex	<p>See above, additionally more women may be encouraged to cycle more given the restricted streets are quieter and road danger reduced.</p> <p>The permit system is already in place and no modifications to the permit system is being planned</p>	<p>The making of the experimental scheme permanent will not impact negatively on any protected characteristics as the scheme and the permit system which operates the scheme is already in place and has been for the last 12+ months</p>	<p>Air quality action plan 2017 – 2022</p> <table border="1"> <caption>Air quality action plan 2017 – 2022 Gender Distribution</caption> <thead> <tr> <th>Year</th> <th>Female (%)</th> <th>Male (%)</th> </tr> </thead> <tbody> <tr> <td>2021 estimate</td> <td>51.9%</td> <td>48.1%</td> </tr> <tr> <td>2011 estimate</td> <td>51.5%</td> <td>48.5%</td> </tr> </tbody> </table>	Year	Female (%)	Male (%)	2021 estimate	51.9%	48.1%	2011 estimate	51.5%	48.5%
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<p>Marriage or Civil Partnership</p>	<p>The access permit system for the healthy neighborhood applies to all residents within the area.</p> <p>The permit system is already in place and no modifications to the permit system is being planned</p>	<p>The making of the experimental scheme permanent will not impact negatively on any protected characteristics as the scheme and the permit system which operates the scheme is already in place and has been for the last 12+ months</p>	<h3 style="text-align: center;">Marital Status in Croydon - Summary</h3> <table border="1"> <caption>Marital Status in Croydon - Summary - Data</caption> <thead> <tr> <th>Marital Status</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Never married and never registered a civil partnership</td> <td>34.1%</td> </tr> <tr> <td>MARRIED, Opposite sex and same sex</td> <td>32.9%</td> </tr> <tr> <td>Does not apply</td> <td>20.0%</td> </tr> <tr> <td>Divorced or Widowed or Separated</td> <td>12.2%</td> </tr> <tr> <td>Any other status</td> <td>0.2%</td> </tr> </tbody> </table>	Marital Status	Percentage	Never married and never registered a civil partnership	34.1%	MARRIED, Opposite sex and same sex	32.9%	Does not apply	20.0%	Divorced or Widowed or Separated	12.2%	Any other status	0.2%																
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	<p>The permit system is already in place and no modifications to the permit system is being planned</p>	<p>operates the scheme is already in place and has been for the last 12+ months</p>	<h3 style="text-decoration: underline;">Religions in Croydon compared to London and England</h3> <table border="1" data-bbox="1646 220 1953 448"> <thead> <tr> <th></th> <th>Census 2021</th> <th>Census 2011</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Christian</td> <td>48.9%</td> <td>56.4%</td> <td>-7.5%</td> </tr> <tr> <td>No religion</td> <td>25.9%</td> <td>20.0%</td> <td>5.9%</td> </tr> <tr> <td>Muslim</td> <td>10.4%</td> <td>8.1%</td> <td>2.3%</td> </tr> <tr> <td>Hindu</td> <td>5.9%</td> <td>6.0%</td> <td>-0.1%</td> </tr> <tr> <td>Sikh/Jewish/Other</td> <td>1.4%</td> <td>1.2%</td> <td>0.2%</td> </tr> <tr> <td>Buddhist</td> <td>0.6%</td> <td>0.7%</td> <td>-0.1%</td> </tr> <tr> <td>Not answered</td> <td>6.9%</td> <td>7.6%</td> <td>-0.7%</td> </tr> <tr> <td>TOTAL</td> <td>100%</td> <td>100%</td> <td></td> </tr> </tbody> </table>		Census 2021	Census 2011	Change	Christian	48.9%	56.4%	-7.5%	No religion	25.9%	20.0%	5.9%	Muslim	10.4%	8.1%	2.3%	Hindu	5.9%	6.0%	-0.1%	Sikh/Jewish/Other	1.4%	1.2%	0.2%	Buddhist	0.6%	0.7%	-0.1%	Not answered	6.9%	7.6%	-0.7%	TOTAL	100%	100%	
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Christian	48.9%	56.4%	-7.5%																																				
No religion	25.9%	20.0%	5.9%																																				
Muslim	10.4%	8.1%	2.3%																																				
Hindu	5.9%	6.0%	-0.1%																																				
Sikh/Jewish/Other	1.4%	1.2%	0.2%																																				
Buddhist	0.6%	0.7%	-0.1%																																				
Not answered	6.9%	7.6%	-0.7%																																				
TOTAL	100%	100%																																					

<p>Race</p>	<p>See above impact for All categories Additionally, the proposed change can have the potential to increase participation among under-represented groups to cycle and in so doing improve their health and well being especially in areas of higher deprivation. The schemes may help to create an environment helping to increase the proportion of racialised groups who choose to cycle. The permit system is already in place and no modifications to</p>	<p>The making of the experimental scheme permanent will not impact negatively on any protected characteristics as the scheme and the permit system which operates the scheme is already in place and has been for the last 12+ months</p>	<h3 style="text-decoration: underline;">Broad Ethnic Groups – Croydon vs London vs England</h3> <ul data-bbox="1713 762 1953 1040" style="list-style-type: none"> • Less than half of the Croydon population is made up of residents from the White communities. • The proportion of people from the Black and Mixed communities in Croydon is greater than in London and England. • There is a much higher proportion of people from the White communities at the national level than in London and Croydon.
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	<p>the permit system is being planned</p>																																						
<p>Sexual Orientation</p>	<p>The healthy neighbourhood is already in place experimentally and making it permanent will be positive on all protected characteristics</p>	<p>The making of the experimental scheme permanent will not impact negatively on any protected characteristics as the scheme and the permit system which operates the scheme is already in place and has been for the last 12+ months</p>	<div style="text-align: center;"> <h3><u>Sexual Orientation (16 year or over)</u></h3> <table border="1"> <thead> <tr> <th>Sexual Orientation</th> <th>Croydon</th> <th>London</th> <th>England</th> </tr> </thead> <tbody> <tr> <td>Straight or Heterosexual</td> <td>87.8%</td> <td>86.2%</td> <td>89.4%</td> </tr> <tr> <td>Gay or Lesbian</td> <td>1.5%</td> <td>2.2%</td> <td>1.5%</td> </tr> <tr> <td>Bisexual</td> <td>1.2%</td> <td>1.5%</td> <td>1.3%</td> </tr> <tr> <td>Pansexual</td> <td>0.3%</td> <td>0.4%</td> <td>0.2%</td> </tr> <tr> <td>Asexual</td> <td>0.0%</td> <td>0.0%</td> <td>0.1%</td> </tr> <tr> <td>Queer</td> <td>0.0%</td> <td>0.1%</td> <td>0.0%</td> </tr> <tr> <td>All other sexual orientations</td> <td>0.0%</td> <td>0.0%</td> <td>0.0%</td> </tr> <tr> <td>Not answered</td> <td>9.1%</td> <td>9.5%</td> <td>7.5%</td> </tr> </tbody> </table> </div> <ul style="list-style-type: none"> • According to Census 2021 data, just under 9 in every 10 people are straight or heterosexual in Croydon, London and England. • Just under 1 in 10 did not answer the sexual orientation question in Croydon (9.1%) and London (9.5%). In England generally, 7.5% did not answer the question. • Of those who answered the question, the LGBT+ community amounted to 3.1% in Croydon, 4.3% in London and 3.2% in England. 	Sexual Orientation	Croydon	London	England	Straight or Heterosexual	87.8%	86.2%	89.4%	Gay or Lesbian	1.5%	2.2%	1.5%	Bisexual	1.2%	1.5%	1.3%	Pansexual	0.3%	0.4%	0.2%	Asexual	0.0%	0.0%	0.1%	Queer	0.0%	0.1%	0.0%	All other sexual orientations	0.0%	0.0%	0.0%	Not answered	9.1%	9.5%	7.5%
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Not answered	9.1%	9.5%	7.5%																																				
<p>Pregnancy or Maternity</p>	<p>The aim is to improve air quality and reduce exposure to air pollution and reduce the damaging impact that air pollution has on public health and public health challenges for all residents. A reduction in road danger can assist those who are pregnant and on maternity to be encouraged to walk more and feel less intimidated by traffic.</p>	<p>The making of the experimental scheme permanent will not impact negatively on any protected characteristics as the scheme and the permit system which operates the scheme is already in place and has been for the last 12+ months.</p> <p>The permit system allows for visitors and special arrangements</p>																																					

		including medical assistance	
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Important note: You must act to eliminate any potential negative impact which, if it occurred would breach the Equality Act 2010. In some situations this could mean abandoning your proposed change as you may not be able to take action to mitigate all negative impacts.

When you act to reduce any negative impact or maximise any positive impact, you must ensure that this does not create a negative impact on service users and/or staff belonging to groups that share protected characteristics. **Please use table 4 to record actions that will be taken to remove or minimise any potential negative impact**

3.2 Additional information needed to determine impact of proposed change

Table 2 – Additional information needed to determine impact of proposed change

If you need to undertake further research and data gathering to help determine the likely impact of the proposed change, outline the information needed in this table. Please use the table below to describe any consultation with stakeholders and summarise how it has influenced the proposed change. Please attach evidence or provide link to appropriate data or reports:		
Additional information needed and or Consultation Findings	Information source	Date for completion
Additional information will be required in the form of additional engagements on any adjustments within the healthy neighbourhood areas	Community engagement events	2024/25

For guidance and support with consultation and engagement visit <https://intranet.croydon.gov.uk/working-croydon/communications/consultation-and-engagement/starting-engagement-or-consultation>

3.3 Impact scores

Example
If we are going to reduce parking provision in a particular location, officers will need to assess the equality impact as follows;

1. Determine the Likelihood of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the likelihood of impact score is 2 (likely to impact)
2. Determine the Severity of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the Severity of impact score is also 2 (likely to impact)
3. Calculate the equality impact score using table 4 below and the formula **Likelihood x Severity** and record it in table 5, for the purpose of this example - **Likelihood (2) x Severity (2) = 4**

Table 4 – Equality Impact Score

Severity of Impact	3	3	6	9
	2	2	4	6
	1	1	2	3
		1	2	3
	Likelihood of Impact			

Key

Risk Index	Risk Magnitude
6 – 9	High
3 – 5	Medium
1 – 3	Low

Equality Analysis

Table 3 – Impact scores

Column 1 PROTECTED GROUP	Column 2 LIKELIHOOD OF IMPACT SCORE Use the key below to score the likelihood of the proposed change impacting each of the protected groups, by inserting either 1, 2, or 3 against each protected group. 1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact	Column 3 SEVERITY OF IMPACT SCORE Use the key below to score the severity of impact of the proposed change on each of the protected groups, by inserting either 1, 2, or 3 against each protected group. 1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact	Column 4 EQUALITY IMPACT SCORE Calculate the equality impact score for each protected group by multiplying scores in column 2 by scores in column 3. Enter the results below against each protected group. Equality impact score = likelihood of impact score x severity of impact score.
Age	1	1	1
Disability	1	1	1
Sex	1	1	1
Gender reassignment	1	1	1
Marriage / Civil Partnership	1	1	1
Religion or belief	1	1	1
Race	1	1	1
Sexual Orientation	1	1	1
Pregnancy or Maternity	2	1	2

Equality Analysis

4. Statutory duties

4.1 Public Sector Duties

Tick the relevant box(es) to indicate whether the proposed change will adversely impact the Council's ability to meet any of the Public Sector Duties in the Equality Act 2010 set out below.

- Advancing equality of opportunity between people who belong to protected groups x
- Eliminating unlawful discrimination, harassment and victimisation
- Fostering good relations between people who belong to protected characteristic groups

Important note: If the proposed change adversely impacts the Council's ability to meet any of the Public Sector Duties set out above, mitigating actions must be outlined in the Action Plan in section 5 below.

5. Action Plan to mitigate negative impacts of proposed change

Important note: Describe what alternatives have been considered and/or what actions will be taken to remove or minimise any potential negative impact identified above (table 1). Attach evidence or provide link to appropriate data, reports, etc.):

Table 4 – Action Plan to mitigate negative impacts

Complete this table to show any negative impacts identified for service users and/or staff from protected groups, and planned actions mitigate them.				
Protected characteristic	Negative impact	Mitigating action(s)	Action owner	Date for completion
Age	Displaced traffic in unrestricted roads within healthy neighbourhoods	Carry out engagement activities with those residents who live in unrestricted roads within healthy neighborhoods	Abu Barkatoolah	2024/25
Disability	none			

Equality Analysis

Sex	none			
Gender reassignment	none			
Marriage/civil partnership				
Religion or belief	none			
Race	none			
Sexual orientation	none			
Pregnancy or maternity	Not being able to drive	Existing permit system allows for visitors and special arrangement can be made for medical assistance other than ambulance services.	Highways and Parking Services who administers the permit system	

6. Decision on the proposed change

Based on the information outlined in this Equality Analysis enter X in column 3 (Conclusion) alongside the relevant statement to show your conclusion.		
Decision	Definition	Conclusion - Mark 'X' below
No major change	Our analysis demonstrates that the policy is robust. The evidence shows no potential for discrimination and we have taken all opportunities to advance equality and foster good relations, subject to continuing monitoring and review.	x
Adjust the proposed change	We will take steps to lessen the impact of the proposed change should it adversely impact the Council's ability to meet any of the Public Sector Duties set out under section 4 above, remove barriers or better promote equality. We are going to take action to ensure these opportunities are realised. If you reach this conclusion, you must outline the actions you will take in Action Plan in section 5 of the Equality Analysis form; Making the experimental healthy neighbourhoods permanent will require adjustments to ensure unrestricted roads within the healthy neighbourhoods are treated in a similar manner to reduce the impact due to displaced traffic and consequently improve quality of life for those residents, this to be carried out through community engagement events.	x

Equality Analysis

Continue the proposed change	We will adopt or continue with the change, despite potential for adverse impact or opportunities to lessen the impact of discrimination, harassment or victimisation and better advance equality and foster good relations between groups through the change. However, we are not planning to implement them as we are satisfied that our project will not lead to unlawful discrimination and there are justifiable reasons to continue as planned. If you reach this conclusion, you should clearly set out the justifications for doing this and it must be in line with the duty to have due regard and how you reached this decision.	
Stop or amend the proposed change	Our change would have adverse effects on one or more protected groups that are not justified and cannot be mitigated. Our proposed change must be stopped or amended.	
Will this decision be considered at a scheduled meeting? e.g. Contracts and Commissioning Board (CCB) / Cabinet		Meeting title: Cabinet meeting Date: 14th February 2023

7. Sign-Off

Officers that must approve this decision	
Equalities Lead	Name: Naseer Ahmad Date: 12/12/2023 Position: Interim Senior Equalities Officer
Director	Name: Date: Position:

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LONDON BOROUGH OF CROYDON

REPORT:	Cabinet	
DATE OF DECISION	14 February 2024	
REPORT TITLE:	Capital Programme and Capital Strategy 2023-29	
CORPORATE DIRECTOR	Jane West Corporate Director of Resources (Section 151 Officer)	
LEAD OFFICER:	Allister Bannin, Director of Finance (Deputy S151)	
LEAD MEMBER:	Cllr Jason Cummings, Cabinet Member for Finance	
DECISION TAKER:	Executive Mayor in Cabinet	
KEY DECISION?	Yes	<p style="text-align: right;">REASON:</p> <p style="text-align: center;">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</p> <p style="text-align: right;">and</p> <p style="text-align: center;">Key Decision – Decision significantly impacts on communities living or working in an area comprising two or more Wards</p>
CONTAINS EXEMPT INFORMATION?	No	Public Grounds for the exemption: N/A
WARDS AFFECTED:	All	

1 SUMMARY OF REPORT

- 1.1** This report sets out the updated Capital Programme for 2023-29 for the Council’s General Fund and the Housing Revenue Account (HRA) with a forecast of resources available over that period. A specific update of the 2023-24 programme including the forecast as at Period 8 is also provided.
- 1.2** The Capital Programme sets out the strategic direction for Croydon’s capital management and investment plans, as detailed in Appendix A, and is an integral part of the medium to long term financial and service planning and budget setting process. Capital investment impacts the prudential indicators which are required under the 2020 Prudential Code and they are included in the Treasury Management Strategy report to Cabinet, also presented at this meeting today.

- 1.3** The Council's historic legacy of service failings, poor financial management, weak decision making and poor governance of major investments resulted in a debt burden that cannot be sustained without government support. The most recently available financial sustainability indicators for 2021-22 Outturn, provided by the Office for Local Government (OFLOG), demonstrate that Croydon's debt servicing cost (16% of core spending power), is far higher than the median figure for both England (8%) and the Council's nearest statistical neighbours (9%).
- 1.4** Given the Council's financial challenges, every effort has been made to minimise the requirement for additional General Fund borrowing. The General Fund capital programme does not require any financing through borrowing for 2023-24 or 2024-25. The need for borrowing in 2025-26 onwards is driven by the assumed requirement for annual capitalisation directions to achieve a balanced General Fund revenue position. This is unsustainable in the longer term and the Council is working with the Improvement and Assurance Panel and the Department for Levelling Up, Housing and Communities (DLUHC) to resolve this position.

2 RECOMMENDATIONS

For the reasons set out in the report and its appendices, the Executive Mayor in Cabinet is recommended to approve and to recommend the following to Full Council:

- 2.1** Approve the Council's 2023-29 General Fund Capital Programme which includes planned expenditure of £479.68m (including capitalisation directions) across the six years.
- 2.2** Approve the Council incurring nil General Fund borrowing for financial years 2023-24 and 2024-25 and borrowing of £164.67m over 2025-29. The cost of this future borrowing is factored into the Council's Medium Term Financial Strategy.
- 2.3** Approve the 2024-25 Housing Revenue Account (HRA) Capital Programme with investment planned of £57.24m with borrowing of nil.
- 2.4** Approve an increase to the 2023-24 HRA capital budget from £33.248m to £37.162m, owing to increased major repairs and improvements, with this £3.914m increase funded by HRA reserves.
- 2.5** Approve the Council's Capital Strategy, as detailed within Appendix A of this report.

- 2.6** Note 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 in regard to its level of indebtedness to ensure it can deliver sustainable local government services.

3 REASONS FOR RECOMMENDATIONS

- 3.1** The Executive Mayor in Cabinet and Full Council are required to approve the Council's Capital Programme under the Council's Constitution and all expenditure of £1m and above requires Cabinet approval for capital spend under the Council's Scheme of Delegation.

4 BACKGROUND AND DETAILS

- 4.1** The General Fund Capital Programme has spent £164.24m in the two years 2021-23 (including £100.6m for Capitalisation Direction) of which over £20.67m has required borrowing to finance the spend.

- 4.2** The Council's key objectives are set out in the Mayor's Business Plan 2022-26 which can be found on the Council's website under the following link:

<https://democracy.croydon.gov.uk/documents/s41649/6a%20Appendix%20-%20Executive%20Mayors%20Business%20Plan%20FINAL.pdf>

These key objectives comprise:

1. The council balances its books, listens to residents, and delivers good, sustainable services.
 2. Croydon is a place of opportunity for business, earning and learning.
 3. Children and young people in Croydon have the chance to thrive, learn and fulfil their potential.
 4. Croydon is a cleaner, safer, and healthier place, a borough we're proud to call home.
 5. People can lead healthier and independent lives for longer.
- 4.3** Capital investment should evidence how it will support the priorities and principles set out in the Mayor's Business Plan along with individual directorate service plans. New bids to the Capital Programme have been assessed against the Council's objectives and the other Capital Strategy drivers outlined within Appendix A as part of the Capital budget setting process.

Capital Governance Arrangements

- 4.4** The Council has an established governance arrangement embedded within its current Constitution in Part 4C - Budget and Policy Framework Procedure Rules. The Executive is responsible for the preparation of proposed plans, strategies or budgets that form part of the Budget and Policy Framework.
- 4.5** Just in the same manner as for the Revenue Budget, the Capital Budgets under Part 4C require Full Council approval. Part 4H – Financial Regulations provide the governance framework for managing the Council’s financial affairs. They apply to all Members, Officers of the Council and anyone acting on its behalf. It is likely to be considered a disciplinary offence to breach these Financial Regulations and procedures.
- 4.6** The Regulations apply to capital budgets and the Chief Financial Officer is responsible for ensuring that a capital programme is set annually along with financial management process to enable capital budgets to be monitored effectively. The Council has reported the 2023-24 capital programme as part of the monthly Financial Performance reports to Cabinet.
- 4.7** To strengthen the scrutiny and review of Capital delivery and progress against budget, the Council established a Capital Internal Control Board (CICB) which meets monthly and consists of key Officers from across the expert areas and services. The CICB acts as an internal control system and is a key part of the improvements that have been made to capital management within the Council.
- 4.8** The CICB provides the added review and scrutiny role on delivery of the capital programme along with submission of new bids. The Board acts as a key gateway to support the Corporate Management Team and the Executive Mayor in making informed decisions whilst ensuring risks are identified and managed.

Capital Spend Key Principles

- 4.9** Consideration should be given to the following key principles before submitting a capital bid:
- Spend included in business cases must conform to the definition of capital expenditure i.e., “the purchase or enhancement of assets where the benefits last longer than the year of expenditure”. Croydon applies a de-minimis level of £10k meaning that anything below this value individually is classed and treated as revenue.

- Given the Council's structural indebtedness and challenging financial position, projects coming forward that require Croydon to borrow funding should be kept to a bare minimum.
- Feasibility/planning costs must be met from a revenue budget until approval to spend has been agreed through the relevant route, these should therefore be built into the revenue budget and be considered as part of the budget build process.
- Ongoing revenue implications must be included within business cases and identified as pressures in the revenue budget.
- Realistic profiling of budgets must be provided from the outset. Without this, the limited funding available could be assigned to a project which is delayed, preventing an alternative but more viable project from proceeding. In many cases grants and external funding are time limited and delays in the project could lead to losing precious external funds.
- Where the Council is required to provide match funding in order to receive external funding, consideration must be given to the Council's objectives. Is the project sufficiently aligned to meeting the Council's strategic outcomes to warrant the match funding? Has the Council identified sufficient resources to match fund these projects? Consideration must also be given to grant or external funding conditions and officer time and cost it will take to comply.
- It is important to maximise use of existing assets where it is cost effective to do so. Look for full occupancy of the asset in terms of space and length of time the asset is in use. This could mean looking for synergies with other organisations (for example, the One Public Estate programme with key partners).
- Longevity/flexibility of asset – consider how the asset will conform with longer term service delivery plans. Has flexibility of the use of the asset been considered?
- Officers and Members must not commit funds until projects have been through the correct governance procedure.
- Robust financial, legal, HR, equalities and other related impact assessments are needed for the Council's investment decisions.
- All schemes must pass through the Capital Board for necessary scrutiny

and approval to the next stage. This ensures each project receives a review to assess wider Council implications and to test all relevant matters are discussed and best practice is shared.

Capital Expenditure

- 4.10** The Council will ensure that appropriate capital budget is allocated on a risk assessed approach, to meet statutory requirements, such as basic need, health and safety, disability discrimination act (DDA) and other legal requirements as directed by Government. Nonetheless, just because there is a statutory requirement, capital bids will still need to explore alternative options to satisfy the affordability requirement. This will need to include proactively seeking external funding, such as grants or alternative contributions to finance capital spend.
- 4.11** Slippage from 2022-23 into 2023-24 has been reviewed and approved by the Executive Mayor in Cabinet through monthly financial performance reports to Cabinet. The review ensured that the Council only carries out schemes that are value for money and meet the Council's priorities in line with the Mayor's Business Plan.
- 4.12** The Council is projecting to spend £106.33m in 2023-24 and is expecting to spend £355.73m in 2024-29. The table below provides a summary level breakdown of spend per directorate with scheme detail provided in Appendix B of this report. Services have reviewed the profiling of their capital projects across 2023-24 and future years and this is reflected in the table below and Appendix B.

Table showing General Fund capital programme estimates

Directorate	2023-24 Budget	Forecast	Variance		2024-25	2025-26	2026-27	2027-28	2028-29
	£000's	£000's	£000's		£000's	£000's	£000's	£000's	£000's
ASSISTANT CHIEF EXECUTIVE	6,051	5,331	(720)		5,311	33			
CHILDREN, YOUNG PEOPLE AND EDUCATION	469	329	(140)		95				
HOUSING	3,400	3,200	(200)		3,335	3,335	3,335	3,335	3,335
RESOURCES	11,667	10,610	(1,057)		12,719	10,037	5,564	3,000	3,000
SUSTAINABLE COMMUNITIES, REGEN & ECONOMIC RECOVERY	39,366	23,855	(15,511)		30,865	20,759	20,160	18,716	18,791
CORPORATE	63,000	63,000	0		38,000	38,000	38,000	38,000	38,000
Total General Fund Capital Programme	123,953	106,325	(17,628)		90,325	72,164	67,059	63,051	63,126

Please note that the Education capital delivery team has moved into the Commercial Investment and Capital Division in the Resources Directorate, so the Education capital schemes are now shown in Resources rather than the Children, Young People and Education Directorate.

4.13 Capitalisation directions contribute significantly to the Capital Programme. These have been included as assumptions in the Medium Term Financial Strategy in case dialogue with DLUHC does not result in a sustainable financial solution to the historic legacy debt issues of the Council. However, it needs to be noted that capitalisation of revenue spend increases the cost of borrowing in following years and is not a solution that would support the Council in becoming financially sustainable. The table above includes previously approved projects along with new bids requested by directorates for current and future years.

4.14 The Capital Programme focuses on spend that ensures the Council's assets are maintained to decent standards in order that they continue to perform in the delivery of Council services to residents.

- 4.15** A Parks condition survey will be commissioned in 2024-25. Growth above the current capital budget of £1m per annum for Park Asset Management may be required to meet health and safety requirements. Financing for any growth would be sought first from s106 or CIL before consideration of borrowing.
- 4.16** Croydon Council has been successful in securing £18.5m government funding to transform the town centre and restore pride following a successful bid to the Levelling Up Fund, under round three. The council applied to the Department for Levelling Up, Housing and Communities (DLUHC) for the Reconnecting Croydon scheme, which will see six infrastructure and public realm projects funded to reconnect and revitalise Croydon's streetscape.
- 4.17** The vision for the project is to 'Reconnect, Refresh, Revitalise and Regenerate' the town centre, as part of the Council's priority for the wider regeneration of Croydon town centre. The projects will provide improved connections throughout the town centre, so residents and visitors will be able to travel more easily through safer, greener and more pleasant routes. The projects will cover the South End restaurant quarter, East Croydon station, West Croydon station and Old Town and Croydon Minster. Central to the bid is the delivery of a new civic square for the Fairfield cultural complex, connecting Queen's Gardens and Surrey Street Market.
- 4.18** Once clarification of the split of revenue and capital grant allocations within the new funding, and profiling between years of expected spend, is available then this multi-year project will be added into the capital programme during 2024-25. Please note that this project will be fully funded by the grant monies and therefore will have no impact on the borrowing for the capital programme.
- 4.19** The Council has been successful in gaining £305k funding from the Lottery Fund for capital improvements at Ashburton Park. Therefore the Ashburton Park Heritage Fund project has been added into the capital programme in 2023-24.
- 4.20** The Council has also received £235k funding over 2023-25 from the Department for Education (DfE) for Woodlands Family Hub and this has been added into the capital programme.
- 4.21** Within the Capital Programme the Council is also committing significant monies towards investing in various information technology and property assets so that it leads to an improved service provision whilst ensuring a more cost-effective delivery of services. The Council is carrying out a review of the Oracle MyResources IT system utilising transformation funding and it should be noted that this is not currently in the programme but a proposal for

inclusion in the capital programme will come forward once the due diligence is completed identifying what is required.

- 4.22** The Council may need to contribute towards improvements for mortuary services in the borough. This could include contributing towards a new building. Croydon public mortuary is used for the reception and storage of bodies of those who have died in the borough. The service is run under the jurisdiction of HM Coroner and deals with bodies that have been referred to the coroner or where a death certificate cannot be issued. The service is currently provided by Croydon University Hospital under a shared service but improvements are required.
- 4.23** The Council's ambition to protect educational infrastructure and improve pupil attainment to support the local economy form a large proportion of the capital programme. A total of £23.84m over 5 years is provided for upgrading and expanding schools' infrastructure. This includes the vital investment in Special Education Need schools to ensure children and their parents have Council support, a key pledge within the Mayor's Business Plan.
- 4.24** A total of £77.50m over 5 years is earmarked to be spent on the Borough's infrastructure ranging from highway maintenance to tree works and working with TfL to deliver the Local Implementation Plan. This investment is important to support the ambition of Croydon becoming a cleaner, safer and healthier place.
- 4.25** In January, the Council was notified that the Department for Transport (DfT) will provide circa £382k funding for highways. This will be added into the capital programme during 2024-25.
- 4.26** The Lawn Tennis Association (LTA) is granting funding of circa £500k to supplement the current £75k in the capital programme to support tennis court improvements. This will be added into the capital programme following the confirmation of profiling across 2023-24 and future years.
- 4.27** The General Fund capital programme includes the addition of £163k in 2023-24 and £380k in 2024-25 for the Public Switched Telephone Network Digital Migration Phase 1 project responding to the national analogue to digital telephone network switchover. By 2025, Openreach will have phased out all copper analogue telephone lines in favour of optical fibre networks and therefore, phone lines in buildings need to be updated. This phase 1 work will identify the full level of works involved and further General Fund capital budget is likely to be required.
- 4.28** Similarly the phase 1 work will identify the requirement for the HRA capital programme, with a high level of works expected for digital migration of elevator alarms. As part of the Remote Alarm on Passenger and Goods

Passenger Lifts Standards EN 81-28 (2003), all lifts in the UK are required to have an emergency alarm that was traditionally connected to a rescue service via telephone. With the analogue to digital switchover, lift owners must now manage the transition of their emergency alarms from analogue phone lines to other digital alternatives.

Capitalisation Direction

- 4.29** The Council's Medium Term Financial Strategy includes the provision of capitalisation direction in future years from government to support the budget gap within the General Fund Revenue Account. This is included as an assumption while the Council continues dialogue with DLUHC to find a sustainable solution to resolve the prohibitive cost of borrowing relating to historic legacy debt.
- 4.30** Capitalisation direction allows local authorities to charge its revenue expenditure to the capital programme and hence pay for revenue costs using capital funds. Capital funds that can be applied include capital receipts and borrowing and it will be up to the Council to identify the best financing source at year end.
- 4.31** The capitalisation direction is a relaxation of the accounting convention that usually requires revenue costs to be met from revenue resources only. Councils should not usually "borrow" or use capital funds to fund revenue expenditure. This does mean that if the Council chooses to borrow to fund its direction, relevant interest costs will be charged to the Council's revenue account along with additional minimum revenue provision charges which will need to be set aside from revenue to pay back the principal repayments for the borrowing. Therefore, capitalisation direction is not a financially sustainable solution for the Council's revenue budget as the cost of borrowing increases for future years.
- 4.32** 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"). Therefore, debt write-off treatment 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 provide detailed feedback and analysis. These discussions are ongoing.
- 4.33** There is a risk that if the Council has to continue with capitalisation directions that further reductions in the capital programme would need to be considered. The capital programme has already been significantly reduced over the last two years through detailed value for money review of projects and further reductions to investment in necessary infrastructure could prevent the Council from meeting its Best Value duty. Borrowing for long term infrastructure (such as highways) is normal practice for local authorities

and reductions could create cost pressures in revenue budgets (e.g. reactive short-term repairs and maintenance, and legal claims) and result in the Council not meeting statutory requirements.

4.34 The Council has recently been required by an Adjudication Panel to make a payment to a former contractor in relation to a historic claim which dates back to a contract they held during the period 2011-2018. The Council must therefore request a new Capitalisation Direction of £9.439m for 2019-20 in order to finalise the 2019-20 accounts. This is in addition to last year's request for a Capitalisation Direction of £126m in relation to 2019-20.

4.35 Croydon has been supported by capitalisation directions to date as shown in the table below:

Financial Year	Status	Previously agreed Directions £000's	In-Principle Directions – secured Feb 2023 £000's	Potential need for further Capitalisation Directions £000's	Total Capitalisation Directions £000's
2019-20	Draft		126,000	9,439	135,439
2020-21	Draft	70,000	10,000		80,000
2021-22	Draft	50,000	14,400		64,400
2022-23	Draft	25,000	11,200		36,200
2023-24	Planned	5,000	58,000		63,000
2024-25	Potential			38,000	38,000
2025-26	Potential			38,000	38,000
2026-27	Potential			38,000	38,000
2027-28	Potential			38,000	38,000
2028-29	Potential			38,000	38,000
Total February 2024		150,000	219,600	199,439	569,039

Key:

- Draft indicates the agreed and in-principle Capitalisation Directions have been applied in full to the Council's draft accounts, but that the audit of the accounts has not yet concluded.
- Planned indicates the intention to use the in-principle Capitalisation Direction in year.
- Potential indicates the need for potential further borrowing in line with the comments in paragraph 4.13.

4.36 These directions have come with specific request from government which includes:

- Any further borrowing from the date of the capitalisation up to and including, but not exceeding, the increase in the financing requirement must be obtained from the PWLB (Public Works Loan Board) and must be subject to an additional 1 percentage point

premium on the interest rate above the rate the loan would otherwise be subject to and;

- The Council shall charge annual Minimum Revenue Provision using the asset life method with a proxy 'asset life' of no more than 20 years.

Capital Financing

4.37 The table below provides a summary of the key funding sources the Council expects to use to pay for the proposed General Fund capital programme.

Table showing capital financing of the General Fund capital programme

Funding Source	2023-24 Budget	2023-24 Forecast	2023-24 Variance		2024-25	2025-26	2026-27	2027-28	2028-29
	£000's	£000's	£000's		£000's	£000's	£000's	£000's	£000's
CIL	(7,152)	(7,734)	(582)		(8,290)	(7100)	(6,600)	(6,600)	(6,600)
s106	(1,431)	(371)	1,060		(1,084)	(312)	(326)		
HRA Contribution	(1,772)	(1,459)	313						
Reserves - Growth Zone	(15,341)	(3,000)	12,341		(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
Grant	(14,647)	(13,361)	1,286		(19,557)	(11,549)	(6,969)	(4,335)	(4,335)
Capital Receipts	(83,610)	(80,400)	3,210		(57,394)	(30,000)			
Borrowing	-	-	-		-	(19,203)	(49,164)	(48,116)	(48,191)
Total GF Capital Funding	(123,953)	(106,325)	17,628		(90,325)	(72,164)	(67,059)	(63,051)	(63,126)

4.38 The capital programme is required to have its own funding sources and revenue resources can be used to fund capital spend, even though capital funds cannot usually be used to fund revenue spend (except under capitalisation directions).

4.39 It is always cost effective for the Council to utilise non-debt financing to fund the capital spend as this does not result in increased revenue costs which include Minimum Revenue Provision and interest charges. However, such alternative sources of funding are not always available to finance projects that are driven by the Council's own priorities. If sufficient capital receipts or revenue are also not available, borrowing becomes a necessity.

4.40 In order to minimise future borrowing requirements, the Council is exploring options to generate further capital receipts and an update on the Asset

Management and Disposal Plan was presented to Cabinet in November 2023 which detailed the delivery plan along with a range of assets the Council is proposing to dispose.

Debt Financing

- 4.41** Croydon currently has a borrowing requirement (CFR) of £1.372bn in the General Fund. This means that the Council is already considerably highly leveraged and the MTFS indicates that circa £60m is set aside to pay for Minimum Revenue Provision and interest costs. Any further borrowing for the Capital Programme will only add to the level of debt and further increase costs to the revenue account. The projected General Fund borrowing requirement between 2025 to 2029 of £164.67m represents approximately 11% of additional debt on top of the existing General Fund debt balance. This is a risk to the revenue account because of the cost of servicing the debt.
- 4.42** In order to assess and manage this risk, the Council is required to have due regard for the Prudential Code and ensure that the Council's debt levels and borrowing levels do not exceed its own prudential limits. The Code requires councils to formulate plans that are affordable, prudent and sustainable. The MTFS report has made it clear that current debt levels are not sustainable, and the Council has sought extraordinary financial support from Government to ensure the Council's finances are put on a sustainable footing for the future.

Housing Revenue Account Capital Programme

- 4.43** The Housing Revenue Account (HRA) continues to make improvements to housing stock management and the Council appointed Savills to carry out a detailed review of the capital programme to continue the necessary investment within the Housing Stock. Stock condition surveys have informed the HRA business plan and the HRA capital programme contained in this report has been updated accordingly.
- 4.44** The stock conditions surveys inform the current housing service's asset management strategy, transformation and improvement plans, and the long-term plan for the management of the investment of Council housing assets. The 2023-24 capital programme is overspending against the original capital plan owing to increased damp/mould and fire safety works, and dealing with the current backlog of repairs and maintenance work. It is requested through this report to approve an increase to the 2023-24 HRA capital budget from £33.248m to £37.162m, with this £3.914m increase funded by HRA reserves.

4.45 The table below shows the 2023-24 forecast and the updated allocations for future years which have been reviewed to ensure that sufficient financial resources are set aside to support the development of the asset management strategy aim to turn around and to provide a housing service the Council can be proud of, in line with the Mayor's Business Plan.

Table showing HRA capital programme estimates

HRA Capital Expenditure	Revised Budget 2023-24	Forecast 2023-24	Variance 2023-24	Budget 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28	Budget 2028-29
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Major Repairs and Improvements Programme	21,355	37,180	15,825	24,030	35,177	28,899	31,165	31,165
NEC Housing System	1,772	1,772	-					
Regina Road	1,500	-	(1,500)	14,105	14,105	14,105	14,105	14,105
Building Safety Works	3,735	-	(3,735)	10,500	40,300	20,000	8,515	
Repairs Referrals	8,800	-	(8,800)	8,600	7,500	7,500	7,500	7,500
Total HRA Capital Expenditure	37,162	38,952	1,790	57,235	97,082	70,504	61,285	52,770

4.46 The plan indicates a total investment of £338.9m between 2024-25 and 2028-29. The programme will deliver extensive repairs and improvement works to the existing housing stock which will improve the living conditions of all tenants. Extensive refurbishment works are planned on older buildings along with a whole new re-build of Regina Road Estate planned to commence as key engagement has already taken place with the residents.

4.47 The HRA has capacity within its account to take on more debt and through work done with Savills a sustainable financing solution is being developed by the housing service to meet the capital expenditure plans. The table below details the key funding sources the HRA has earmarked to apply to the delivery programme which includes a projection of £143.6m of new borrowing for 2025-29 which will be financed through HRA reserves and/or the revenue account.

Table showing capital financing of the HRA capital programme

HRA Capital Funding Source	Revised Budget 2023-24	Forecast 2023-24	Variance 2023-24	Budget 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28	Budget 2028-29
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Major Repairs Reserve	(15,457)	(15,457)	-	(14,729)	(15,094)	(15,394)	(15,699)	(16,011)
Revenue	(13,900)	(13,900)	-	(12,196)	(11,300)	(16,653)	(15,256)	
RTB Receipts	(2,118)	(2,118)	-	(2,140)	(2,166)	(2,187)	(2,136)	(2,101)
Reserves	(5,687)	(7,477)	(1,790)	(28,170)	(24,035)			
Borrowing					(44,487)	(36,270)	(28,194)	(34,658)
Total HRA Capital Financing	(37,162)	(38,952)	(1,790)	(57,235)	(97,082)	(70,504)	(61,285)	(52,770)

Next Steps and Ongoing Improvements

- 4.48** Over the course of 2022-23 significant issues with regards to capital were addressed. Oversight of the Capital Programme was brought into the corporate finance team where a holistic and council wide approach was provided and which enabled an improved approach to the way capital monitoring and budget setting was consolidated. This has allowed the Council to better profile its budgets over the life of the projects and to present a 5 years capital programme rather than a single year position.
- 4.49** The implementation of a Capital Internal Control Board in 2022 and the introduction of the post of Director of Commercial Investment and Capital has provided much needed structure and focus to managing delivery of the capital programme.
- 4.50** However, there is much more to be done and whilst key foundations have been set within the Council to manage the Capital Programme, there are a number of improvements still to implement. As indicated within the Capital Strategy (Appendix A) the Council has a number of key areas of improvement that continue to be addressed. The focus of the capital programme operational arrangements will be to ensure that whilst meeting the requirements as detailed within this report, the further recommendations advised by PwC are also delivered.
- 4.51** The Capital Internal Control Board is overseeing work to further improve capital governance arrangements and the preparation of business case templates in line with the Five Case Model. The Five Case Model is an approach for developing business cases recommended by HM Treasury and the UK Office of Government Commerce, and is widely used across central government departments and public sector organisations.

Contribution to Improvement and Assurance Panel (IAP) Exit Strategy

4.52 The IAP published its Exit Strategy in October 2023. Delivery of the Exit Strategy will provide confidence that the Council is able to drive its own continuous improvement and demonstrate Best Value without a need for external intervention by the Department for Levelling Up, Housing and Communities (DLUHC).

4.53 The Capital Programme and Strategy demonstrates the delivery of Best Value and supports the following objectives of the Exit Strategy:

- Operation of Governance Structures – the setting of the 2024-25 budget following timely and well-engaged process for deliberation.
- Council's finances on a sustainable footing – a balanced budget achieved for 2024-25 (with exceptional financial government support).
- Robust finance governance procedures are in place – progress against the Annual Governance Statement Action Plan.
- Maximise asset sales to reduce debt – delivery of asset disposal plan.
- To deliver best value in respect to community assets including Libraries/Community Hubs.
- Parking Policy Review – Roll out and installation of new ANPR cameras.
- Croydon's housing stock is rendered safe and compliant, meeting consumer and home standards.
- The Council understands its stock, condition and the residents who live there. It has robust data assembled and uses this to inform service delivery and maximise income.
- The Council develops and implements a Housing Regeneration and Supply Strategy.
- Put in place robust systems and sound procedures including the Oracle MyResources Improvement Project.
- Contract management arrangements to be improved.

5 ALTERNATIVE OPTIONS CONSIDERED

5.1 None.

6 CONSULTATION

6.1 The development of the Capital Programme forms part of the Medium Term Financial Strategy (MTFS) for the Council. The 2024-25 budget engagement was carried out from 6 November to 19 December 2023.

7. CONTRIBUTION TO COUNCIL PRIORITIES

- 7.1** The capital programme and capital strategy 2023-29 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** Financial implications have been provided throughout this report. The Capital Programme is provided for within the Council's Medium Term Financial Strategy.
- 8.1.2** The Council has high costs of General Fund borrowing and therefore careful and prudent management of the capital budget is required to avoid unnecessary costs to the revenue account.

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

8.2 LEGAL IMPLICATIONS

- 8.2.1** Under Section 1 of the Local Government Act 2003 ("LGA") ("Power to borrow"), a local authority may borrow for any purpose relevant to its functions or for "the prudent management of its financial affairs".
- 8.2.2** Under Section 3(1) and (8) of the LGA ("Duty to determine affordable borrowing limit") the Council must determine and keep under review how much money it can afford to borrow, and the function of determining and keeping these levels under review must be discharged by full Council, rather than by the executive.
- 8.2.3** Sections 15 and 21 (1A) of the LGA requires the Council to have regard to any guidance issued by the Secretary of State and guidance about accounting practices to be followed in particular with respect to the charging of expenditure to a revenue account. Consequently, the Council is required to have regard to the "Statutory guidance on Local Government Investments (3rd Edition)" and the "Capital finance: guidance on minimum revenue provision (fourth edition)" issued under these provisions.
- 8.2.4** The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) make provisions for the capital finance and accounts under the LGA 2003. Regulation 2 requires the Council to have regard to the "Prudential Code for Capital Finance in Local Authorities" issued by CIPFA when determining, under section 3 of the LGA, how much money they can afford to borrow. Regulations 23 and 24 provide respectively that capital receipts may only be used for specified purposes and that in carrying out its capital finance functions, the Council must have regard to the code of practice in "Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes" issued by CIPFA.

- 8.2.5** Regulations 25 and 26 provide for expenditure which is, and which is not, to be treated as capital expenditure for the purposes of the LGA 2003. Regulation 27 provides that local authorities must charge to a revenue account a minimum amount (“minimum revenue provision”) and may charge to a revenue account an additional amount, in respect of the financing of capital expenditure. The minimum revenue provision is calculated in accordance with regulations 28 to 29.
- 8.2.6** Under the Council’s Budget and Policy Framework Procedure Rules, the Executive is responsible for the preparation of proposed plans, strategies or budgets that form part of the Budget and Policy Framework, including plans or strategies for the control of the Council’s borrowing or capital requirement. The proposals in this report will therefore form part of proposals for submission to full Council.
- 8.2.7** Under the Council’s Financial Regulations, the Chief Financial Officer is responsible for ensuring that a balanced revenue budget and capital programme and budget, are prepared on an annual basis.
- 8.2.8** Under Directions dated 20 July 2023, issued by the Secretary of State under Section 15(5) of the Local Government Act 1999, the Council must, amongst other things “secure as soon as practicable that all the Authority’s functions are exercised in conformity with the best value duty, thereby delivering improvements in services and outcomes for the people of Croydon”.

Comments approved by Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Director of Legal Services and Monitoring Officer, 10/01/2024.

8.3 HUMAN RESOURCES IMPLICATIONS

- 8.3.1** There are no immediate Human Resources implications arising from this report.

Comment approved by: Dean Shoesmith, Chief People Officer, 5/1/2024.

8.4 EQUALITIES IMPLICATIONS

- 8.4.1** As a public body, the Council is required to comply with the Public Sector Equality Duty [PSED], as set out in the Equality Act 2010. The PSED requires the Council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities. Failure to meet these requirements may result in the Council being exposed to costly, time consuming and reputation-damaging legal challenges.
- 8.4.2** The Council must, therefore, ensure that we have considered any equality implications in respect of the capital programme and Strategy. The Council has an established Equality Impact Assessment process, with clear

guidance, templates and training for managers to use whenever new policies or service changes are being considered. This approach ensures that proposals are checked in relation to the impact on people with protected characteristics under the Equality Act 2010.

8.4.3 The objectives of the Mayor's Business Plan are focused on delivering good sustainable services and creating opportunities for all residents of Croydon including children and young people. The proposals in the capital programme are likely to impact on residents, the extent of which and the characteristics most affected can only be identified following further analysis once the proposals have been developed.

8.4.4 During the MTFs process, proposals which impact on people are subjected to equality analysis using a data driven approach and offer mitigation to people most affected.

8.4.5 We commit to ensuring that we meet our legal requirements under the Equality Act 2010 to our residents including disabled residents and the parents of disabled residents in respect of children and young people.

8.4.6 We have identified areas of improvement in relation to the collection of data across directorates and are committed to improving this to enable our decisions to be more evidence based and robust.

Comments approved by Naseer Ahmed for Equalities Programme Manager, 15/01/2024.

9. APPENDICES

Appendix A - Capital Strategy 2024-25

Appendix B - 2023-24 to 2028-29 Capital Programme

10. BACKGROUND DOCUMENTS

10.1 None.

Appendix B – 23-24 to 28-29
CAPITAL PROGRAMME

REVISED CAPITAL PROGRAMME

CAP BID No.	PROJECT NAME	SPEND and Funding TYPE	2023-24 (£,000's)	2024-25 (£,000's)	2025-26 (£,000's)	2026-27 (£,000's)	2027-28 (£,000's)	2028-29 (£,000's)
GF CAP 03	Bereavement Services	Spend	127					
GF CAP 85	My Resources Interface Enhancement	Spend	169	83				
GF CAP 86	Network Refresh	Spend	152	789	33			
GF CAP 87	Tech Refresh	Spend	292	0				
GF CAP 88	Geographical Information Systems	Spend	312					
GF CAP 90	Laptop Refresh	Spend	1,030	3,603				
GF CAP 91	Cloud and DR	Spend	167	268				
GF CAP 89	Synergy Education System	Spend	858	187				
GF CAP 93	NEC Housing System	Spend	2,725					
GF CAP 93	NEC Housing System	HRA Contribution	(1,772)					
GF CAP 66	Uniform ICT Upgrade	Spend	56					
NEW BID	Public Switched Telephone Network Digital Migration Phase	Spend	163	380				

1									
ASSISTANT CHIEF EXECUTIVE			4,279	5,311	33	0	0	0	0
GF CAP 79	Children Home DFE	Spend	329						
GF CAP 79	Children Home DFE	Grant	(329)						
NEW BID	Woodlands Family Hub	Spend	140	95					
NEW BID	Woodlands Family Hub	Grant	(140)	(95)					
CHILDREN, YOUNG PEOPLE AND EDUCATION			0	0	0	0	0	0	0
GF CAP 04	Disabled Facilities Grant	Spend	3,000	3,335	3,335	3,335	3,335	3,335	3,335
GF CAP 04	Disabled Facilities Grant	Grant	(3,000)	(3,335)	(3,335)	(3,335)	(3,335)	(3,335)	(3,335)
GF CAP 05	Empty Homes Grants	Spend	400						
HOUSING			400	0	0	0	0	0	0
GF CAP 56	Asset Strategy - Stubbs Mead	Spend	500	150					
GF CAP 57	Asset Strategy Programme	Spend	100	113					
GF CAP 59	Clocktower Chillers	Spend	15	367					
GF CAP 60	Corporate Property Maintenance Programme	Spend	2,780	2,000	2,000	2,000	2,000	2,000	2,000
GF CAP 18	Fairfield Halls - Council	Spend	625	500					
GF CAP 78	Former New Addington Leisure Centre	Spend	300						
GF CAP 24	Fieldway Cluster (Timebridge Community Centre)	Spend	248						
GF CAP 100	Contingency	Spend	1,000	1,000	1,000	1,000	1,000	1,000	1,000
GF CAP 08	Education - Fire Safety	Spend	450						

GF CAP 31	Highways - Tree works	Spend	50					
GF CAP 31	Highways - Tree works	Grant	(50)					
GF CAP 81	Local Authority Tree Fund	Spend	83	67	67			
GF CAP 81	Local Authority Tree Fund	Grant	(83)	(67)	(67)			
GF CAP 82	Trees Sponsorship	Spend	42					
GF CAP 82	Trees Sponsorship	Grant	(42)					
GF CAP 84	Leisure centres equipment Contractual Agr	Spend		174	204	198	150	225
GF CAP 83	Tennis Court Upgrade	Spend	75					
GF CAP 33	Leisure Equipment Upgrade	Spend	148					
GF CAP 34	Libraries Investment - General	Spend	224	1,390				
GF CAP 34	Libraries Investment - General	LMP CIL	(224)	(1,390)				
GF CAP 80	Central Library Digital Discovery Zone	Spend		175				
GF CAP 80	Central Library Digital Discovery Zone	Grant		(150)				
GF CAP 77	New Investment to South Norwood Library	Spend		520				
GF CAP 39	Parking	Spend	1,843	1,662				
GF CAP 39	Parking	Grant	(166)					
GF CAP 95	Cashless Pay & Display	Spend	1,463					
GF CAP 41	Play Equipment	Spend	300					
GF CAP 41	Play Equipment	LMP CIL	(28)					
GF CAP 41	Play Equipment	s106	(125)					
GF CAP 41	Play Equipment	Grant	(50)					
GF CAP 43	Safety - digital upgrade of CCTV	Spend	1,540					
GF CAP 46	HIGHWAY Road Markings/Signs	Spend	137					

	(Refresh)							
GF CAP 47	South Norwood Good Growth	Spend	773					
GF CAP 47	South Norwood Good Growth	s106	(45)					
GF CAP 47	South Norwood Good Growth	Grant	(692)					
GF CAP 47	South Norwood Good Growth	Grant	(36)					
GF CAP 48	Kenley Good Growth	Spend	304	90				
GF CAP 48	Kenley Good Growth	s106	(254)					
GF CAP 48	Kenley Good Growth	Grant	(50)	(90)				
GF CAP 49	Sustainability Programme	Spend	300	300	500			
GF CAP 49	Sustainability Programme	LMP CIL	(300)	(300)	(500)			
GF CAP 50	LIP	Spend	3,522	7,387				
GF CAP 50	LIP	s106	(1,007)	(762)				
GF CAP 50	LIP	TFL	(2,015)	(6,125)				
GF CAP 96	Cycle Parking	Spend	106	36	40			
GF CAP 96	Cycle Parking	Grant	(106)	(36)	(40)			
GF CAP 97	Electric Vehicle Charging Point (EVCP)	Spend	3	392	382	396		
GF CAP 97	Electric Vehicle Charging Point (EVCP)	s106	0	(322)	(312)	(326)		
GF CAP 97	Electric Vehicle Charging Point (EVCP)	Grant	0	(70)	(70)	(70)		
GF CAP 97	Electric Vehicle Charging Point (EVCP)	Grant	(3)					
NEW BID	Ashburton Park Heritage Fund	Spend	305					
NEW BID	Ashburton Park Heritage Fund	Grant	(305)					
GF CAP 99	Park Asset Management	Spend	700	1,000	1,000	1,000		

GF CAP 53	Waste and Recycling Investment	Spend	602	1,956				
SUSTAINABLE COMMUNITIES, REGEN & ECONOMIC DVLPT			16,963	16,553	14,770	14,764	13,716	13,791
GF CAP 101	Capitalisation Direction	Spend	63,000	38,000	38,000	38,000	38,000	38,000
GF CAP 101	Capital Receipts	Capital Receipts	(83,610)	(57,394)	(30,000)	-	-	-
GF CAP 70	Further CIL (to be allocated)	CIL	(6,600)	(6,600)	(6,600)	(6,600)	(6,600)	(6,600)
CORPORATE			(27,210)	(25,994)	1,400	31,400	31,400	31,400

TOTAL NET GENERAL FUND CAPITAL - Borrowing			-	-	19,203	49,164	48,116	48,191
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LONDON BOROUGH OF CROYDON

CAPITAL STRATEGY

2024-25

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1 FOREWORD

- 1.1.1. The Capital Strategy is a key strategic document providing a high-level overview of how capital expenditure, capital financing, investments, liabilities and treasury management activity contribute to the provision of services, together with an overview of how associated risk is managed.
- 1.1.2. The Capital Strategy recognises the complex and challenging financial and operational circumstances in which the Council continues to find itself. The Mayoral Business Plan Objective 1 is that the Council '*balances its book, listens to residents and delivers good, sustainable services*'. This 2024-25 Capital Strategy continues on from the 2023-24 Capital Programme in being reduced in scale and cost compared to previous years. With circa £1.4bn of General Fund debt and an environment of higher 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, is essential to mitigate rising cost pressures, reduce the overall debt burden and help the Council balance its books.
- 1.1.3. The Capital Strategy presented here and associated capital framework will continue to be improved over coming months and years.

2 INTRODUCTION

- 2.1.1 Local Authorities are required by regulation to have regard for the Chartered Institute of Public Finance & Accountancy (CIPFA) Prudential Code 2021 which sets out a framework to ensure that the capital expenditure plans of Local Authorities are affordable, prudent and sustainable. The 2018 revision of the Prudential Code introduced the requirement for local authorities to produce a Capital Strategy representing their approach to financial planning. The 2021 revision of the Prudential Code further amended the requirements for a Capital Strategy including the need to address environmental sustainability consistent with the Council's corporate policies and setting and revising prudential indicators with regards to decision making on capital investment.
- 2.1.2 Capital expenditure referred to in the strategy is consistent with the definition within CIPFA Accounting Code of Practice as:

"...Expenditure that results in the acquisition, construction, or the enhancement of non-current assets (tangible or intangible) in accordance with proper practices... All other expenditure must be accounted for as revenue expenditure unless specifically directed by the Secretary of State."
- 2.1.3 A Capital Strategy is defined as a key strategic document that provides a high level overview of how capital expenditure, capital financing, investments, liabilities and treasury management activity contribute to the provision of services, together with an overview of how associated risk is managed and the implications for future financial sustainability.

- 2.1.4 A Capital Programme is defined as an internal working document for elected councillors and officers that identifies agreed capital projects, showing the total cost of capital projects and the projected phasing of those capital projects over current and future financial years.
- 2.1.5 This document sets out how the Council takes capital expenditure and investment decisions in line with service objectives and overall organisational strategy. Its aim is to ensure decisions are being made with sufficient regard to the long-term financing implications and potential risks to the authority.
- 2.1.6 This Capital Strategy provides the foundation for the Council's long-term management and delivery of its Capital Programme. It sets the policy framework for the Capital Programme and shows how capital expenditure, capital financing and treasury management activities will be undertaken to drive the Council's ambition to achieve long-term financial sustainability.
- 2.1.7 The Capital Strategy forms a fundamental part of the ongoing strategic planning of the Council together with the Medium Term Financial Strategy, Treasury Management Strategy, Housing Revenue Account (HRA) Budget and HRA 30 Year Business Plan. Subject to Cabinet approval, it will be updated periodically and at least once a year to reflect new priorities, schemes and methods of finance introduced.
- 2.1.8 This document is a continuation of the improved Capital Strategy developed for 2023-24 with the Council recognising it is still on a journey towards developing a robust and effective Capital Framework. The document reflects 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.

3 CONTEXT

- 3.1.1 The Capital Strategy recognises the complex and challenging financial and operational circumstances in which the Council continues to find itself following two Reports in the Public Interest (RIPI) published by its external auditor (Grant Thornton UK LLP) in October 2020¹ and January 2022² and subsequent reviews into its financial management arrangements. The reports highlighted grave governance, operational and financial failures within the Council and made a series of recommendations in relation to capital that are considered throughout this document.

¹ Report in the Public Interest (RIPI 1) concerning the Council's financial position and related governance arrangements

² Report in the Public Interest (RIPI 2) concerning the refurbishment of Fairfield Halls and related governance arrangements.

- 3.1.2 The review also highlighted concerns regarding value for money and investment decisions as the Council has incurred £300m of 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 2017-18 and 2019-20 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.
- 3.1.3 The Council's current debt burden is circa £1.738bn and includes circa £0.366bn Housing Revenue Account debt. At present, an estimated £60m per annum is required to service this debt from the General Fund which represents around 16% of the Council's net budget. The Council's borrowing and debt burden has, therefore, become critical to the sustainability of the Council's revenue budget.
- 3.1.4 The Council has concluded that the expenditure it is anticipated to incur in each year of the period 2024-28 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) demonstrates an ongoing estimated budget gap of £38m per annum from 2024-25. Each additional £38m borrowed through capitalisation directions would add an estimated £3m per annum to future borrowing costs.
- 3.1.5 In response to its financial situation the Council is considering a range of actions including flexible use of Growth Zone business rates, asset disposals and a range of transformation proposals. Dialogue with the Department for Levelling Up, Housing and Communities (DLUHC) continues, and the Council is seeking further financial support from Government in regard to its level of historic legacy indebtedness to ensure it can deliver sustainable local government services.
- 3.1.6 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").
- 3.1.7 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 subsequently asked the Council to propose a wider range of options and dialogue is continuing.

- 3.1.8 Against this financial backdrop the Council's Capital Programme is significantly impacted. The Council's high level of short-term borrowing and cost pressures from increased interest rates means the programme has been reduced to comprise only core programmes and schemes that i) the Council are committed to commercially, ii) meet statutory obligations, iii) deliver savings in management and maintenance costs, and iv) avoid future cost increases.
- 3.1.9 The Council's property and other assets are also being reviewed to inform the approach to raise finance through sales in order to minimise borrowing costs, although the Council anticipates that the capital receipts will not reduce debt levels sufficiently to make the Council financially sustainable.
- 3.1.10 Several external macroeconomic factors may impact the delivery of the Capital Programme and its financing decisions. Recent high inflation has caused the Bank of England to increase interest rates, hence potentially putting additional cost pressures on the Council for loan repayments. Current levels of inflation as well as some challenges in the supply chain may also impact the delivery of the Capital Programme both from a cost and skill perspective. Furthermore, high debt levels incurred by the government during the Covid-19 pandemic may put additional pressure on local government funding.

4 MAYORAL BUSINESS PLAN 2022-2026

4.1 OVERVIEW

- 4.1.1 The Mayoral Business Plan (MBP) 2022-26 provides the framework within which the Capital Strategy has been developed and sets out the Council's objectives and priorities to strengthen governance and management systems, achieve financial and operational sustainability and complete the transformation of the Council over the next four years.
- 4.1.2 The MBP sets out a vision for Croydon consisting of five outcomes to be achieved and priority aims and high-level actions required to deliver these outcomes as summarised below.

4.2 THE FIVE OUTCOMES

- The Council balances its book, listens to residents and delivers good, sustainable services
- Croydon is a place of opportunity for business, earning and learning
- Children and young people in Croydon have the chance to thrive, learn and fulfil their potential
- Croydon is a cleaner, safer and healthier place, a borough we're proud to call home

- People can lead healthier and independent lives for longer

4.2.2 The supporting priorities for each outcome are:

- ***Outcome 1: The Council balances its book, listens to residents and delivers good, sustainable services***
 - Get a grip on the finances and make the Council financially sustainable
 - Become a Council which listens to, respects and works in partnership with Croydon's diverse communities and businesses
 - Strengthen collaboration and joint working with partner organisations and the voluntary, community and faith sectors (VCFS)
 - Ensure good governance is embedded and adopt best practice
 - Develop our workforce to deliver in a manner that respects the diversity of our communities
- ***Outcome 2: Croydon is a place of opportunity for business, earning and learning***
 - Support the regeneration of Croydon's town and district centres, seeking inward investment and grants
 - Deliver a vibrant London Borough of Culture which showcases local talent and supports Croydon's recovery
 - Support the local economy and enable residents to upskill and access job opportunities
- ***Outcome 3: Children and young people in Croydon have the chance to thrive, learn and fulfil their potential***
 - Ensure children and young people have opportunities to learn, develop and fulfil their potential
 - Make Croydon safer for young people
 - Work closely with health services, Police and the VCFS to keep vulnerable children and young people safe from harm
- ***Outcome 4: Croydon is a cleaner, safer and healthier place, a borough we're proud to call home***
 - Make our streets and open spaces cleaner so that Croydon is a place that residents and businesses can feel proud to call home
 - Tackle anti-social behaviour, knife crime and violence

against women and girls so that Croydon feels safer

- Invest in council homes to drive up standards and develop a more responsive and effective housing service
- Ensure new homes are safe, well-designed and in keeping with the local area
- Lead action to reduce carbon emissions in Croydon
- **Outcome 5: People can lead healthier and independent lives for longer**
 - Work with partners and the VCFS to promote independence, health and wellbeing and keep vulnerable adults safe
 - Work closely with health services and the VCFS to improve resident health and reduce health inequalities
 - Foster a sense of community and civic life

4.2.3 Capital programme expenditure is a key tool in achieving the MBP outcomes and priorities. Targeted investment can provide the Council with the assets it needs to deliver high quality, value for money services, however, the Council's limited financial resources and capacity constraints place significant emphasis on the need to prioritise capital investment decisions to meet outcomes and priorities. In the near term this will mean the continuation of reduced spending, a wholesale transformation of working practices and embedding a strong governance structure across the authority to ensure value for money from the Capital Programme expenditure.

4.2.4 Delivering the outcomes and priorities of the MBP will have direct implications on the development of the Capital Strategy and the Capital Programme. The capital framework articulated within this document will therefore prioritise the following:

- Capital investment being targeted towards supporting the Council's corporate objectives.
- Capital investment being prudent, sustainable, affordable and providing value for money.
- Capital projects being delivered on time and within budget.
- Council staff having a common understanding of the long-term context in which capital investment decisions are made and all the financial risks to which the Council is exposed.
- Improved transparency at Capital Programme level along with a clear process for Council staff engagement.
- Improvement in approving and amending the Capital Programme and for scrutinising decisions relating to capital expenditure.
- Commitment to ensure Council staff have the skills, and expertise needed to effectively manage and deliver the Capital Programme.

- Strengthening the Capital Programme management function by streamlining governance, monitoring and reporting processes.
- Ensuring a sound financial position is maintained through sustainable deployment of resources.
- The Council is appropriately responding to the recommendations raised in the Reports in the Public Interest and Croydon Financial Review.

5 CAPITAL PROGRAMME

5.1 OVERVIEW

- 5.1.1 The Capital Programme will support the Council to achieve long term financial sustainability whilst enabling the Mayoral Business Plan over future years. It is expected that as the Council moves towards a position of financial sustainability it will become better placed to deliver on the ambition of the Business Plan. All capital projects will need to demonstrate how they will meet the Business Plan's priorities and outcomes before inclusion in the Capital Programme. The Capital Strategy and Capital Programme will therefore need to develop accordingly.
- 5.1.2 The 2024-25 Capital Programme sets out planned capital expenditure over the five year period to 2028-29, further increasing from the four year timeframe in 2023-24. The adoption of a longer timeframe is to ensure capital expenditure is profiled to mirror the delivery of the capital projects, allow longer term planning, show how each project is linked to the Council's priorities and summarises planned expenditure and funding.
- 5.1.3 The 2024-25 Capital Programme continues to reflect a reduction in scale and cost compared to years prior to 2023-24 and includes only core programmes and schemes, which have been assessed on the basis of:
- Requirement to meet health and safety
 - Supports invest to save
 - Mandatory or statutory requirement
 - Significant contribution to Council Plan and Mayor's objectives
 - Projects that have secured external funding
 - Any overspends for projects already in the Capital Programme
 - Minimum level of repairs and maintenance to retain existing asset values

5.2 CAPITAL PROGRAMME EXPENDITURE

- 5.2.1 Capital Programme expenditure is provided for within the General Fund and Housing Revenue Account budgets. The annual budget is the formal resource allocation process that enables the delivery of the Council's policies and priorities. Under statutory responsibility, the Council is required to reinvest in maintaining housing stock at decent standards which is a fundamental aim of the Housing Revenue Account.
- 5.2.2 The General Fund is the core account which summarises the cost of all services (except those related to Social Housing) provided by the Council's directorates including Housing, Assistant Chief Executive, Children, Young People and Education, Sustainable Communities, Regeneration and Economic Development, Resources and Corporate.
- 5.2.3 The Housing Revenue Account is a ring-fenced account used to manage income and costs associated with managing the Council's owned housing stock and related assets, which includes shops and garages on Council housing estates. It comprises 20,292 housing and related asset types with 13,424 General Rent dwelling stock³. The HRA is funded primarily from tenants' rents and service charges.

5.3 GENERAL FUND CAPITAL PROGRAMME

- 5.3.1 **Table 1** provides a summary of Capital Programme expenditure from the General Fund by future years including the current Capital Programme year of 2023-24 per Council Directorate.

³ Housing Revenue Account (HRA) 30 Year Business Plan 2021- 2051 and HRA Capital Programme 22/23, Appendix 2 Details of HRA Tenant Type

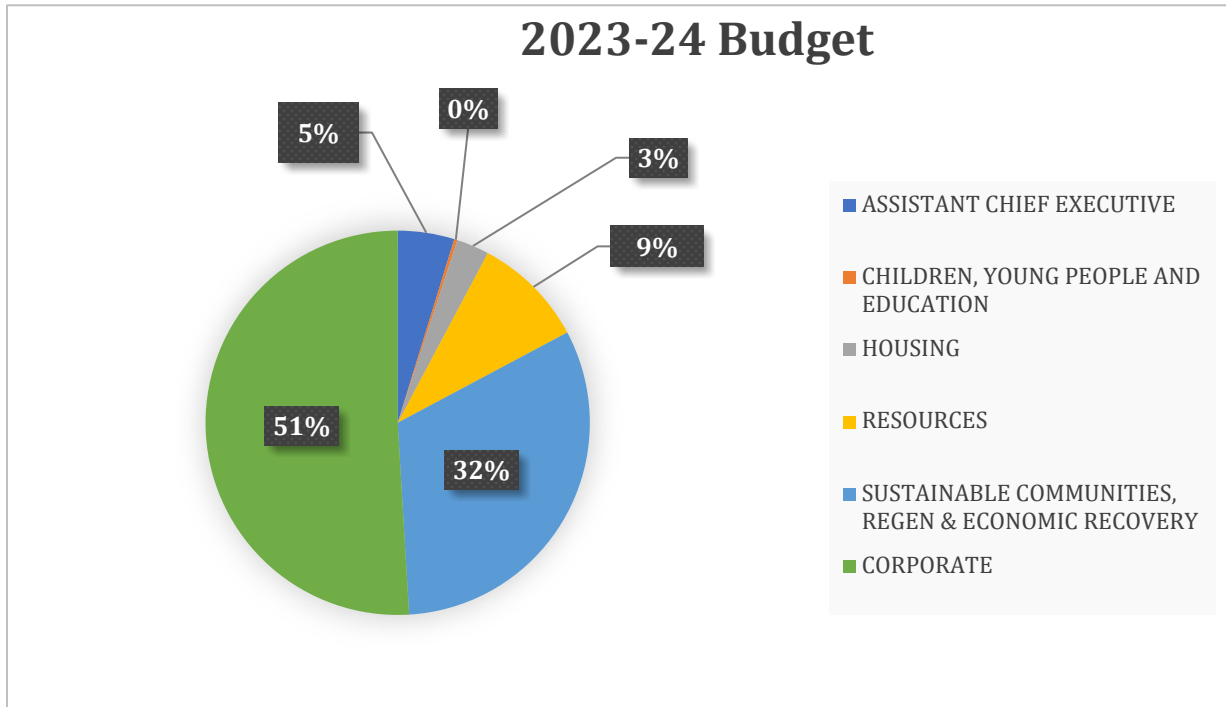
Table 1 - General Fund Capital Programme Expenditure (£'000)

Directorate	2023-24 Revised Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027-28 Budget	2028-29 Budget
ASSISTANT CHIEF EXECUTIVE	6,051	5,311	33	-	-	-
CHILDREN, YOUNG PEOPLE AND EDUCATION	469	95	-	-	-	-
HOUSING	3,400	3,335	3,335	3,335	3,335	3,335
RESOURCES	11,667	12,719	10,037	5,564	3,000	3,000
SUSTAINABLE COMMUNITIES, REGEN & ECONOMIC RECOVERY	39,366	30,865	20,759	20,160	18,716	18,791
CORPORATE	63,000	38,000	38,000	38,000	38,000	38,000
Total General Fund Capital Programme	123,953	90,325	72,164	67,059	63,051	63,126

Please note that the Education capital delivery team has moved into the Commercial Investment and Capital Division in the Resources Directorate, so the Education capital schemes are now shown in Resources rather than the Children, Young People and Education Directorate.

- 5.3.2 The Council is projecting to spend £106.33m in 2023-24 and planned expenditure of £355.73m (including capitalisation directions) from 2024-25 across the five remaining years of the Capital Programme.
- 5.3.3 Capitalisation directions contribute significantly to the Capital Programme. These have been included as assumptions in the MTFS in case dialogue with DLUHC does not result in a sustainable financial solution to the historic legacy debt issues of the Council. However, it needs to be noted that capitalisation of revenue spend increases the cost of borrowing in following years and is not a solution that would support the Council in becoming financially sustainable.
- 5.3.4 **Chart 1** demonstrates the current 2023-24 Capital Programme expenditure by Directorate. The Corporate expenditure element that comprises 51% of the total budget for the year relates to the use of the £63m Capitalisation Direction approved in principle by the Department of Levelling Up, Housing and Communities (DLUHC).

Chart 1 - General Fund Capital Programme Expenditure 2023-24



5.3.5 The 2024-25 Capital Programme is future looking and comprises key projects and assets continuing to incur expenditure from previous Capital Programme years and includes additional new projects that have obtained approval.

5.3.6 **Table 2** summarises the key project areas within each of the Council's Directorates and includes corporate items which comprise the Capitalisation Direction from DLUHC.

Table 2 - General Fund Capital Programme Composition

Directorates	Key Project Areas
Housing	<ul style="list-style-type: none"> • Disabled Facilities Grant
Assistant Chief Executive	<ul style="list-style-type: none"> • Bereavement Services • Laptop Refresh • Network Refresh • Synergy Education System
Children's, Young People & Education	<ul style="list-style-type: none"> • Children Home DfE
Sustainable Communities, Regeneration and Economic Recovery	<ul style="list-style-type: none"> • Growth Zone • Highways • Local Authority Tree Fund • Parking

	<ul style="list-style-type: none"> ● Play Equipment ● South Norwood Good Growth ● Kenley Good Growth ● Sustainability Programme ● Waste and Recycling Investment ● Park Asset Management ● CCTV digital upgrade
Resources	<ul style="list-style-type: none"> ● Asset Strategy ● Former New Addington Leisure Centre ● Clocktower Chillers ● Fairfield Halls ● Education Fire Safety Works ● Education Fixed Term Expansions ● Education Major Maintenance ● Education Permanent Expansion ● Education Secondary Estate
Corporate	<ul style="list-style-type: none"> ● Capitalisation Direction

5.4 HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME

5.4.1 **Table 3** provides a summary of Capital Programme expenditure from the Housing Revenue Account by future years including the current Capital Programme year of 2023-24.

Table 3 - Housing Revenue Account (HRA) Capital Programme Expenditure (£000's)

HRA Capital Expenditure	2023-24 Revised Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027-28 Budget	2028-29 Budget
Major Repairs and Improvements Programme	21,355	24,030	35,177	28,899	31,165	31,165
NEC Housing System	1,772	-	-	-	-	-
Regina Road	1,500	14,105	14,105	14,105	14,105	14,105
Building Safety Works	3,735	10,500	40,300	20,000	8,515	
Repairs Referrals	8,800	8,600	7,500	7,500	7,500	7,500
Total HRA Capital Expenditure	37,162	57,235	97,082	70,504	61,285	52,770

5.4.2 The Capital Programme Expenditure from the Housing Revenue Account is £37.16m for the year of 2023-24 and a total expenditure of £338.88m between 2024-25 and 2028-29.

5.4.3 The programme will deliver extensive repairs and improvement works to the existing housing stock which will improve the living conditions of all tenants. Extensive refurbishment works planned on older buildings along with a whole new rebuild of Regina Road Estate is planned as key engagement has already taken place with the residents.

Housing Revenue Account 30 Year Business Plan

5.4.4 The Council has appointed Savills to support the development of the HRA 30 year business plan from 2024-25 for 30 years onwards with their report expected to go to Cabinet in February 2024. The 30-year Business Plan provides consideration to both capital and revenue investments required for the management and maintenance of the Council's housing stock. The key focus of the Housing Revenue Account Business Plan is on the medium-term (first five years) as there is more certainty on costs, demands, resources and pressures, to enable the prioritisation of housing investment. The Plan will be used as a tool to assess the impact of decision making around stock acquisition and maintenance and will align with the HRA Asset Management Plan.

5.4.5 The Housing Revenue Account 30-year Business Plan addresses the outcomes and priorities within the Mayoral Business Plan by investing in housing stock to ensure all residents' homes are safe, warm, and dry, and aims to improve the Council's housing stock and invest in significantly reducing its carbon footprint over the life of the Plan. This will help the Council to live within its means, balance

the books and provide value for money for residents, along with tackling ingrained inequality and poverty within the borough and providing the best quality core services.

6 ASSET MANAGEMENT PLAN 2022-2027

6.1 OVERVIEW

- 6.1.1 To ensure that capital assets continue to provide maximum value for the Council and contribute to its long-term vision, a new Corporate Asset Management Plan (AMP) and outline Property strategy was approved in November 2022.
- 6.1.2 The AMP provides clear guidance on the way that the Council will manage its assets⁴ effectively and strategically to reflect both corporate priorities and community demands within the Borough as articulated within the Mayor's Business Plan. The AMP is also aligned to the Council's priorities for 2024-28 as set out in the Medium-Term Financial Strategy (MTFS).
- 6.1.3 Assets are a corporate resource and the Council, through its Resources Directorate, has responsibility for obtaining the approval and subsequent monitoring of the AMP, its constituent priorities and any related decision-making and resource allocation regarding Council assets.
- 6.1.4 The Corporate Management Team (CMT) provides oversight and direction to the Asset Management Plan to ensure management of the Council's assets is considered corporately, including decisions in relation to the Council deciding to sell, buy, rent or hold assets.

6.2 VISION AND PRIORITIES

- 6.2.1 The Council's property assets should support service delivery, enable regeneration and development, or generate income. Property assets will be reviewed over the next four years in line with the corporate priorities of the AMP, which are listed below:
- **Maximise the use of council assets** - this will include:
 - **Asset Review and Challenge Programme** to assess how operational buildings are used and the performance of the investment estate
 - **Property Management Governance Framework** to support asset review, challenge and decision making
 - **Disposal Strategy** to focus on the release of surplus assets

⁴ The AMP does not consider the Housing Revenue Account (Housing Revenue Account) assets or community schools in any detail as these are the subject of separate strategies.

- **Review of Operational Asset Management** that focuses on a new programme of condition surveys to inform the maintenance programme, health & safety and risk
- **Housing and regeneration** focusing on delivering new housing, workplaces, and job opportunities through the identification, release and development of surplus sites
- **Future property approach** to reflect evolving service demands and resident expectations
- **Sustainable estate** to develop a carbon re-fit, plant replacement and maintenance program to support carbon neutral targets and improve energy efficiency

6.2.2 These priorities aim to contribute to the overall ambitions of the Capital Strategy by ensuring asset decisions are being made with sufficient regard to the long-term financial position of the Council and the requirement to become financially sustainable.

6.3 SUPPORTING FINANCIAL SUSTAINABILITY

6.3.1 With around £1.4bn of debt for the General Fund and higher interest rates when that debt is scheduled for refinancing, the implementation of a robust Asset Management Plan, Corporate Property Strategy and Asset Disposal Strategy is essential to mitigate rising cost pressures and reduce the overall debt burden to the Council.

6.3.2 With the continued requirement to deliver both revenue savings and capital receipts, the number of buildings that are used by the Council to deliver services will need to be reduced. This can be achieved through the better utilisation of space, the adoption of hybrid working and adoption of different methods of delivery to residents. In some cases, changes may lead to the cessation of some non-statutory services altogether. The Asset Review and Challenge Programme will be used to review and challenge the use of property assets whilst the principles established within the Asset Disposal Strategy 2024-2028 will be used to identify and bring forward future proposals (see below).

6.3.3 The Housing team is developing a full asset management strategy which forms part of the housing transformation plan and will detail the long-term plan for the management of the investment of Council housing assets over a 10 years horizon.

6.4 ASSET DISPOSAL AND PROPERTY TRANSFORMATION

6.4.1 The Asset Disposal and Property Transformation Programme is a process to continually review the Council's portfolio on a rolling basis to ensure that only assets that are performing to acceptable levels are retained or invested in. The c.120 buildings the Council occupies and delivers core services from are included in this programme.

- 6.4.2 The programme is initially reviewing all corporate assets and considering them against current service delivery needs. The resultant proposal will include timelines to reflect known or anticipated service delivery changes and future opportunities. It will also consider the complexity around the relocation of services where this is necessary as well as opportunities that may arise through contract expiries and the release of assets currently used to deliver these functions.
- 6.4.3 As part of the ongoing governance process, officers monitor the utilisation and performance of assets which includes looking at current occupation levels, running costs and opportunities for revenue/capital generation. This will enable asset use and performance to be reviewed against the performance of other boroughs and available benchmark data.
- 6.4.4 The asset disposal programme has already identified non-essential assets that can be disposed of. The continuation of the asset review will further inform the Asset Disposal Strategy and programme by establishing which further assets are the most fundamental to the Council's service delivery and should be retained, and which assets are low-priority or surplus. The continuation of the programme and subsequent rationalisation and/or disposal of current assets will help to deliver further capital receipts to reduce the Council's capital financing costs, debt burden and overall running costs.

6.5 ASSET CONDITION

- 6.5.1 An important element of the overall Asset Management Plan (AMP) is the delivery of a new condition survey programme for the main corporate assets over the next 18-24 months. This was one of the key issues highlighted by the Improvement and Assurance Panel as a formal programme for undertaking condition surveys was stopped in 2016. The previous 5 year rolling programme of surveys could mean that some buildings have not been surveyed in detail for 12 years.
- 6.5.2 The new programme of surveys is an integral part of the new AMP and is being separately procured. This will provide a more detailed understanding as to the current condition of the main corporate assets. The work will also provide recommended budgets for necessary repairs and expenditure over the next 5 to 10 years to allow a more accurate basis for budgeting for both capital and revenue spend. It will also help to highlight those assets that need major investment and may no longer be cost effective to retain.

6.6 SUSTAINABLE ESTATE

- 6.6.1 The Council declared a climate change and ecological emergency in July 2019 and Cabinet agreed that the Council would become carbon neutral by 2030. A wide range of actions have already been undertaken in Croydon to combat climate change.

- 6.6.2 Achieving carbon neutrality by 2030 will require significant financial investment. The financial investment will need to be funded from a variety of sources, including Council driven expenditure as well as external allocations from the business sector and available grant-funding streams. The Council will primarily look at introducing sustainable interventions through replacing old assets that need replacement with sustainable alternatives.
- 6.6.3 One of the key elements from an asset perspective in addressing the Climate Emergency will be through better building performance. This will become more focused over the next few years with the changes to the Energy Performance requirements for buildings that are being let or disposed of. The energy performance of Council properties will be a key consideration of the Asset Review and Challenge Programme.

6.7 REGENERATION

- 6.7.1 The Council has wider ambitions for regeneration within the borough including the Growth Zone which is a partnership between the Central Government, the Council and the Greater London Authority. The Growth Zone will finance and deliver a 12 years redevelopment programme, which is essential to facilitate growth in Croydon town centre. The Mayoral Business Plan intends to support the regeneration of the town centre and district centres by seeking inward investment and grants. The Council continues to work with private sector partners to develop its town centre and is enhancing its planning policies to facilitate greater regeneration investment.

6.8 INVESTMENT ASSETS

- 6.8.1 Given the Council's financial challenges the purchase of investment assets has ended.
- 6.8.2 These assets require capital investment in the form of maintenance and careful asset management in order to maintain the required income stream. As a result this portfolio places a demand on the Council's annual capital programme. The Council is currently selling its investment assets in order to raise the capital receipts it needs to repay debt and avoid the need for future borrowing.

6.9 DISPOSAL APPROACH AND GOVERNANCE

- 6.9.1 The Corporate Property and Asset Disposal Strategy 2022-2027 has a central role within the AMP. In order to reduce the debt burden on the Council, raising money through the disposal of assets will be essential. The Asset Disposal Strategy provides a formal approach to the management of assets and in particular their disposal where they have been identified as either surplus or no longer key to the delivery of services. This will be done in a structured and controlled manner to ensure that any disposal does not cause longer-term operational difficulties or fail to achieve the best return for the Council.

- 6.9.2 The Disposal Strategy adopts a flexible approach so that it can support future corporate requirements. It will aim to identify properties for disposal in the short to medium (3 years) term but will be reviewed annually to reflect changes in the delivery of services.
- 6.9.3 All decisions to dispose of an asset must be subject to a full business case report that will include a minimum set of requirements. The full process for disposal of property is set out in the Disposal Strategy and in summary is based on:
- If operational, the asset must be declared surplus to requirements by the relevant directors. Any proposed alternative uses will be considered against the benefits of disposing of the asset
 - Obtaining supporting valuation and agency advice to inform the business case and disposal approach
 - Final version of the business case approved by CMT, and then Mayoral/Cabinet approval where required
- 6.9.4 The Council has currently identified approximately £200m of potential disposal receipts based on existing sites previously identified, a review of investment assets and other potential opportunities driven by anticipated service changes.
- 6.9.5 Any ability to achieve receipts in excess of £200m in future years will be dependent on difficult decisions in relation to the future of service delivery, with the overall value of receipts likely limited by previous programmes to rationalise the Council's property portfolio and the market value of potentially surplus assets at any point in time.

7. CAPITAL PROGRAMME FUNDING & FINANCING

7.1 OVERVIEW

- 7.1.1 All Capital Programme expenditure must be financed from external sources (government grants and external contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing and leasing). The Council is seeking to fund the Capital Programme expenditure from a combination of external contributions and capital receipts from disposal of Council owned assets. The funding of schemes through borrowing should only be a last resort when no other funding is available.

7.2 FUNDING SOURCES

- 7.2.1 There are a number of distinct sources of funding that can be utilised to finance capital expenditure. The Capital Strategy demonstrates that due consideration of funding will be made when capital projects are at the planning stage and no project will be put forward without funding having been identified to complete the delivery of the project.

7.2.2 The current Capital Programme comprises current and prospective means of funding and financing projects and the range of choices available are detailed below:

- **Community Infrastructure Levy (CIL)** - CIL is a standard charge on developments used to fund a wide range of infrastructure that is needed because of the development.
- **S106 Contributions** – some projects within the Capital Programme are funded by contributions from private sector developers.
- **Housing Revenue Account** - An account used to manage Income and costs associated with managing the Council's owned housing stock and related assets which is funded primarily from tenants' rents and service charges. Revenue contributions can be made from this account to fund HRA capital schemes.
- **Growth Zone** - The use of Growth Zone business rates from the town centre designated area.
- **External Grants for Specific Purposes** – these include grant allocations categorised for specific purposes to deliver specific schemes or outcomes.
- **External Grants for Non-Specific Purposes** – grant allocations for the delivery of the Council's capital plans (most often from government departments), that are categorised as non-specific.
- **Capital Receipts** – The Council can generate capital receipts through the sale of surplus assets such as land and buildings. The Council seeks to maximise the level of these resources, which will be available to support the Council's plans. This funding source will be prioritised to fund assets with the shortest useful life, such as IT equipment, to reduce the requirement to borrow for assets that attract a greater annual Minimum Revenue Provision cost.
- **Prudential Borrowing** – The introduction of the Prudential Code in 2004 allows the Council to undertake unsupported borrowing itself. This borrowing is subject to the requirements of the Prudential Code for Capital Expenditure for Local Authorities. This has revenue implications for the Council in the form of financing costs, including Minimum Revenue Provision. The Council aims to minimise the use of prudential borrowing, only applying it to essential capital spend that cannot be funded from elsewhere.
- **General Fund** – Revenue from the General Fund can potentially be utilised to provide contributions to the financing of the capital programme's current and prospective projects. At the current time the Council is not intending to make contributions to the programme from the General Fund due to a lack of available funding from this revenue source.

7.2.3 **Table 4** summarises how the current approved Capital Programme will be funded and provides a breakdown of the different funding sources for the General Fund.

Table 4: Funding Sources for General Fund – (£000's)

Funding Source	2023-24 Budget	2024-25	2025-26	2026-27	2027-28	2028-29
	£000's	£000's	£000's	£000's	£000's	£000's
CIL	(7,152)	(8,290)	(7,100)	(6,600)	(6,600)	(6,600)
s106	(1,431)	(1,084)	(312)	(326)	-	-
HRA Contribution	(1,772)	-	-	-	-	-
Reserves - Growth Zone	(15,341)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
Grants	(14,647)	(19,557)	(11,549)	(6,969)	(4,335)	(4,335)
Capital Receipts	(83,610)	(57,394)	(30,000)	-	-	-
Borrowing	-	-	(19,203)	(49,164)	(48,116)	(48,191)
Total GF Capital Funding	(123,953)	(90,325)	(72,164)	(67,059)	(63,051)	(63,126)

7.2.4 **Table 5** summarises the funding sources for the HRA that have been earmarked to apply to the delivery programme which includes a projection of £143.61m of new borrowing which will be fully financed from the revenue account.

Table 5: Funding Sources for Housing Revenue Account – (£'000)

HRA Capital Financing	Revised Budget 2023-24	Budget 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28	Budget 2028-29
	£000's	£000's	£000's	£000's	£000's	£000's
Major Repairs Reserve	(15,457)	(14,729)	(15,094)	(15,394)	(15,699)	(16,011)
Revenue	(13,900)	(12,196)	(11,300)	(16,653)	(15,256)	-
RTB Receipts	(2,118)	(2,140)	(2,166)	(2,187)	(2,136)	(2,101)
Reserves	(5,687)	(28,170)	(24,035)	-	-	-
Borrowing	-	-	(44,487)	(36,270)	(28,194)	(34,658)
Total HRA Capital Financing	(37,162)	(57,235)	(97,082)	(70,504)	(61,285)	(52,770)

7.3 FINANCING

7.3.1 The Council's capital expenditure plans are the key driver of treasury management activity. The primary function of the treasury management operation is to ensure the cash flow is adequately planned, with cash being available when needed to fund the Council's capital plans. These plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. The contribution the treasury management function makes to the Council is critical, as the balance of debt and investment operations ensure liquidity and the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects.

Affordability Prudential Indicators

7.3.2 The Treasury Management Strategy covers the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances.

Ratio of financing costs to net revenue stream

7.3.3 This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs, net of investment income), against the net revenue stream. The estimates of financing costs include current commitments and the proposals in the budget report.

Table 6: Ratio of financing costs to net revenue stream

	2022-23 Actual %	2023-24 Estimate %	2024-25 Estimate %	2025-26 Estimate %	2026-27 Estimate %
Non-HRA	12.6	16.1	17.1	16.4	15.8
HRA	13.7	12.1	12.2	14.1	14.4

7.3.4 The Council estimates that the non-HRA financing costs will come down from 17.1% to 15.8% of net revenue over the next three years.

7.3.5 The Council is highly leveraged and has set aside considerable money to pay for Minimum Revenue Provision and interest costs. Any further borrowing for the Capital Programme will only add to the debt pile and further increase costs to the revenue account. This poses considerable future risks particularly to the revenue account because of servicing the debt.

7.3.6 It is always cost effective for the Council to utilise non-debt financing to fund the capital spend as this does not result in increased revenue costs which include Minimum Revenue Provision and interest charges. However, such alternative sources of funding are not always available to finance projects that are driven by

the Council's own priorities. If sufficient capital receipts or revenue are also not available, borrowing becomes a necessity.

7.3.7 Housing Revenue Account ratios

Table 7- Housing Revenue Account ratios

	2022-23 Actual	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
HRA debt (£'000)	334.3	320.5	320.5	394.5	430.7
HRA debt cap (£'000)	365.7	365.7	365.7	410.2	446.4
HRA revenues (£'000)	88.1	96.0	103.1	105.1	107.1
Ratio of debt to revenues	3.8	3.3	3.1	3.9	4.2

7.3.8 The Council estimates the Housing Revenue Account debt to revenue ratios to be between 3.1 to 4.2 over the next three years.

8. CAPITAL PROGRAMME GOVERNANCE

8.1 OVERVIEW

8.1.1 The Capital Internal Control Board (CICB) was established in 2022 in response to the recommendations within the RIPI 2 report. The CICB oversees the Capital Programme and acts as a programme board for the delivery of the overall capital programme, providing assurance on all the Council plans and strategies which impact the capital programme. The creation of the CICB has provided the basis for more strategic oversight of the Capital Programme than previously existed.

8.1.2 The CICB comprises cross-discipline members and representation from each directorate. It is chaired by the Director of Finance (Deputy s151 Officer) and includes the Director of Commercial Investment and Capital as a member. It can challenge and review capital bids before they are submitted to the Corporate Management Team (CMT), the Mayor and Cabinet for approval but does not itself currently have delegated authority as a governing entity to make decisions.

8.1.3 Oversight of the Capital Programme and the Asset Management Plan resides with CMT to ensure alignment of projects with strategic objectives and their contribution to financial sustainability prior to referral to the Mayor, Cabinet and Full Council for final approval. CMT comprises the Chief Executive and the Corporate Directors from the different directorates.

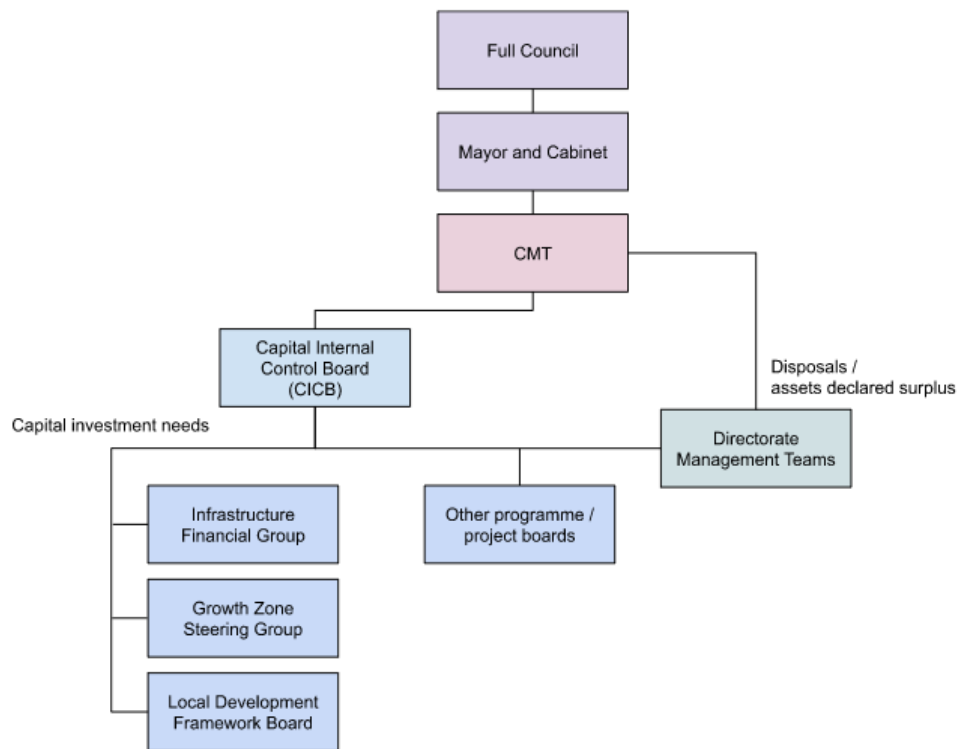
8.1.4 The Council has an established governance arrangement embedded within its current Constitution. Part 4H – Financial Regulations provide the governance framework for managing the Council’s financial affairs. They apply to all Members, officers of the Council and anyone acting on its behalf. It is likely to be considered a disciplinary offence to breach these Financial Regulations and procedures.

8.1.5 Under the Council’s Financial Regulations, the Chief Financial Officer is responsible for ensuring that a balanced revenue budget and capital programme and budget are prepared on an annual basis.

8.2 GOVERNANCE SUMMARY

8.2.1 The governance arrangements in relation to the Capital Programme are summarised in the diagram in **Figure 1**.

Figure 1 - Capital Programme Governance Arrangements



8.3 ROLES AND RESPONSIBILITIES

8.3.1 The Capital Internal Control Board (CICB) role is to act as the programme board for the delivery of the overall capital programme. It challenges and reviews capital bids before they are submitted for Council approval. It provides oversight and assurance of all Council Plans and Strategies which impact on the capital programme. It assures strategic alignment of the allocation of funding including S106 and CIL income.

8.3.2 The main responsibilities of the CICB are to:

- Ensure that appropriate governance and assurance is in place for the management of all capital projects and programmes including processes for project initiation, benefits identification, resource and risk management, and programme planning;
- Provide direction for matters escalated to it;
- Review and ensure appropriate mitigation for significant risks to delivery of the capital programme;
- Review and monitor delivery of the capital programme plan, including additions to the programme and consideration of interdependencies and pressures;
- Agree allocation of resources for feasibility studies and development of new projects (subject to formal Cabinet process as required).
- Recommend allocation of capital resources (subject to formal Council process as required);
- Have oversight of the Council's Asset Management Strategy and associated significant disposals and acquisitions;
- Drive and monitor the delivery of schemes and projects to ensure that capital is deployed on time and in a controlled manner;
- In respect of major projects and programmes within its remit, Capital ICB will assure itself that appropriate legal documentation, contracts and/or agreements are in place prior to making payments to third parties involved in the project or programme.
- The Board will monitor that contracts have been signed, that they are stored securely and that all legal requirements were met prior to the project proceeding.
- In respect of major projects and programmes within its remit, the Board will seek assurance that public procurement rules and UK obligations on

subsidy control rules have been properly considered before entering into arrangements.

- CICB will identify opportunities to pause or remove capital expenditure from the Capital Programme.
- CICB will support the Council in assuring itself that an appropriate level of skills and knowledge is held across the Council to support capital delivery and monitoring, and support the identification and delivery of training as required.

8.4 DECISION-MAKING PROCESS

8.4.1 CICB will evaluate the compliance of the proposed capital projects in the Capital Programme including the capital resources available to the Council, the revenue implications of the proposed expenditure and other relevant information. It will focus on the expected costs and financial sources identified and consider any risk to either the delivery or costs forecasts which will be recorded in the Council's corporate risk system following the review.

8.4.2 CICB will report and escalate to the CMT if tolerances are breached or likely to be breached in the following areas:

- Overspend on project budgets;
- Timescale – where a project is going to exceed its agreed deadline;
- Where funding (external) is at risk;
- Scope, where significant change of scope or quality is proposed or agreed benefits are at risk of non-delivery; and
- Risks or issues that pose significant risk to delivery.

8.4.3 A business impact analysis of the breaches of tolerance or proposed changes and clear recommendations will be prepared by the relevant Director when escalating to the CMT. The outcome of the approval with the decision required will be noted at the next available meeting. If a decision is urgent and required outside the timing of a Capital Board meeting, the Corporate Director of Resources (s151 Officer) in consultation with the Director of Finance (Deputy s151 Officer), as Chair, may take that decision outside of the meeting.

8.4.4 The CICB has the facility to draw upon external expertise where necessary and set up sub-groups and involve other officers as required to consider specific questions and/or undertake specific tasks and activities. Members of the CICB will be trained, as required, to provide the necessary knowledge and understanding to provide effective and constructive input to the meetings. In addition, the s106 Tracker (from the Infrastructure Group) is reviewed on a quarterly basis.

- 8.4.5 The CICB undertakes 'deep dives' into aspects of the capital programme that are of particular interest/significance, due to the amount of expenditure involved or emerging risks to delivery.

8.5 RISK REGISTER

- 8.5.1 The CICB reviews the Risk Register on a quarterly basis. The Council has introduced the use of a project management system (Verto) and the CICB provides assurance that capital projects have been entered onto Verto and reviews the risks entered.
- 8.5.2 The risk register comprises different risk scenarios and their potential impact. A RAG (Red, Amber and Green) rating system is used to measure the level of risk. Each risk is identified with a scenario of its likelihood and impact and comprising details of the existing and future controls to manage risks which are regularly reviewed and updated to ensure management of the risk as the capital project progresses.

9. CAPITAL PROGRAMME MANAGEMENT AND MONITORING

9.1 OVERVIEW

- 9.1.1 The Capital Programme Management and Monitoring Framework supports the delivery of programmes by ensuring capital projects are delivered within budget and timescales. The Council has improved and developed the management and monitoring of the programme in response to recommendations from the RIPI reports and the current financial situation.

9.2 CURRENT ARRANGEMENTS

- 9.2.1 The present system comprises the submission of a capital bid outlining the business case and providing details of the project overview and justification, route on delivering the project, evaluation of the financial benefits, meeting key prioritisation criteria and potential risks identified. It also comprises a detailed financial breakdown of gross expenditure, itemised funding requirements and profiling of repayment over the course of the capital project.
- 9.2.2 There is a capital monitoring sheet for the final submission of capital bids that comprises a financial breakdown detailing the financial performance of the Capital Programme in the areas including approved budgets, capital savings, forecasts, borrowings, proposed and unapproved project slippage and variance. There is also a delivery plan setting out the capital projects proposed pricing and specification, procurement strategy, tender process, approvals, implementation and timescales.

- 9.2.3 The capital bids are sent to CICB for challenge and review of capital bids before they are submitted for CMT, Mayor in Cabinet and Council approval. The S151 Officer is responsible for ensuring that there is an effective system for capital monitoring. This will ensure that capital investment is delivered on time and within allocated resources, whilst meeting the objectives and outcomes.
- 9.2.4 The Council have made incremental improvements to management and monitoring of the programme in response to the recommendations within the RIPI 2 report. The quality and assurance of the management and monitoring processes has improved and comprises project managers providing increased details within business cases to support capital project proposals, increased scrutiny within the capital bid process with increased qualitative questions being asked to provide frequent checks and control on projects.
- 9.2.5 The Council now has a more standardised, consistent and automated programme and project monitoring framework based on EPPMS (Electronic Project Proposal Management System). The Council has implemented Verto as its preferred EPPMS during 2023 with accompanying communication and training for project managers and key decision-makers across the Council, a priority activity as the Council seeks to strengthen and improve its capital framework.
- 9.2.6 The system supports the management, planning and execution of capital projects. It is able to manage a portfolio of capital projects across a range of teams and departments. The solution helps to coordinate and enhance workflow capabilities during the project initiation stage and project life cycle. The solution also helps to streamline areas including project budgeting, information management, risk analysis, escalation and project delivery and drive a consistent and more automated reporting to CICB on the capital programme's status to inform strategic decision-making.
- 9.2.7 The Council is continuing to develop its programme management and project monitoring framework by implementing a more mature approach to business case development based on clear governance gateways for both new projects and those already in the Capital Programme and reporting up through governance forums as projects progress.
- 9.2.8 The CICB is overseeing work to further improve capital governance arrangements and the preparation of business case templates in line with the Five Case Model. The Five Case Model is an approach for developing business cases recommended by HM Treasury and the UK Office of Government Commerce, and is widely used across central government departments and public sector organisations.

LONDON BOROUGH OF CROYDON

REPORT:	Cabinet	
DATE OF DECISION	14 February 2024	
REPORT TITLE:	Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2024/25	
CORPORATE DIRECTOR / DIRECTOR:	Jane West – Corporate Director of Resources and Section 151 Officer	
LEAD OFFICER:	Matthew Hallett Acting Head of Treasury and Pensions	
LEAD MEMBER:	Councillor Jason Cummings Cabinet Member for Finance	
KEY DECISION?	YES	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
CONTAINS EXEMPT INFORMATION?	NO	Public
WARDS AFFECTED:	All	

1 SUMMARY OF REPORT

- 1.1 This report seeks the agreement of the Executive Mayor in Cabinet to the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2024/25.
- 1.2 The report sets out the Council’s Treasury Management objectives, which are to manage the Council’s cash flows, borrowing and investments whilst minimising the level of risk exposure. It looks to maximise investment yield returns within agreed risk parameters and ensure that capital expenditure and financing plans are prudent, affordable and sustainable. The report details the borrowing and investment activities that will be undertaken by the Council in the financial year 2024/25 and the two subsequent years.
- 1.3 The report invites agreement to recommendations essential to the achievement of the Treasury Management objectives.

2 RECOMMENDATIONS

For the reasons set out in the report and its appendices, the Executive Mayor in Cabinet, is asked to recommend to Full Council that it approves:

- 2.1** The Treasury Management Strategy Statement 2024/25 as set out in this report;
- 2.2** The Prudential Indicators as set out in Appendix A of this report;
- 2.3** The Annual Minimum Revenue Provision Policy Statement (required by the Local Authorities (Capital Financing and Accounting) (England) (Amendment) Regulations 2008SI 2008/414) as set out in Appendix B;
- 2.4** The Borrowing Strategy and Investment Strategy; and
- 2.5** Note the requirement for Members to undertake training in order to have the appropriate knowledge and skills to enable them to understand and scrutinise the Council's treasury management.

3 REASONS FOR RECOMMENDATIONS

- 3.1** Under the Constitution of the London Borough of Croydon the Council is responsible for approving the Treasury Management Policy Statement setting out the matters detailed in the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-sectoral Guidance Notes [2021 Edition] (Treasury Management Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities [2021 Edition] (Prudential Code).

4 BACKGROUND AND DETAILS

- 4.1** Under Regulations made pursuant to the Local Government Act 2003 the Council is required to have regard to the Prudential Code to ensure that its capital investment plans are affordable, prudent and sustainable. In particular, the Prudential Code requires the Council to set a number of Prudential Indicators for the next three financial years. This report incorporates these Indicators and details the expected treasury activities for the year 2024/25 in the context of the long-term planning forecasts for the Council. The implications of these key Indicators function as the overriding control and guidance mechanism for the future capital programme and the revenue consequences that arise for the Council in future financial years.
- 4.2** Under the same Regulations the Council is required to have regard to the Treasury Management Code in setting up and approving its treasury management arrangements.

4.3 On 20 December 2021 CIPFA produced revised codes and stated that local authorities were required to implement the required reporting changes within their Treasury Management Strategy Statement reports from 2023/24.

4.4 The main objective of the 2021 Codes was to respond to the major expansion of local authority investment activity over recent years into the purchase of non-financial investments, particularly property. The Codes require an authority to ensure that:

- it defines its risk appetite and its governance processes for managing risk;
- it sets out, at a high level, its investment policy in relation to environmental, social and governance aspects;
- it adopts a new liability benchmark treasury indicator to support the financing risk management of the Capital Financing Requirement (CFR); this is to be shown in chart form for a minimum of ten years, with material differences between the liability benchmark and actual loans to be explained;
- it does not borrow to finance capital expenditure to invest primarily for commercial return;
- increases in the CFR and borrowing are undertaken solely for purposes directly and primarily related to the functions of the authority; where any financial returns are related to the financial viability of the project in question, they should be incidental to its primary purpose;
- an annual review is conducted to evaluate whether commercial investments should be sold to release funds to finance new capital expenditure or refinance maturing debt;
- its capital plans and investment plans are affordable and proportionate;
- all borrowing/other long-term liabilities are within prudent and sustainable levels;
- risks associated with commercial investments are proportionate to overall financial capacity to sustain losses;
- treasury management decisions are in accordance with good professional practice;
- reporting to members is done quarterly, including updates of Prudential Indicators;
- it should assess the risks and rewards of significant investments over the long term, as opposed to the usual three to five years that most local authority financial planning has been conducted over, to ensure the long-term financial sustainability of the authority. (CIPFA has not defined what longer-term means, but it is likely to infer 20-30 years in line with the financing time horizon and the expected life of the assets, while medium-term financial planning, at a higher level of detail, is probably aimed at around a 10-year timeframe and focuses on affordability in particular); and
- it has access to the appropriate level of expertise to be able to operate safely in all areas of investment and capital expenditure, and to involve members adequately in making properly informed decisions on such investments.

4.5 The Prudential Code confirms a requirement for local authorities to produce an annual Capital Strategy report which will provide the following:

- a high-level long-term overview of how capital expenditure, capital financing; and treasury management activity contribute to the provision of services;
- an overview of how the associated risk is managed; and
- the implications for future financial sustainability.

The aim of the strategy is to ensure that all the Authority's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite. The Council has produced a separate Capital Strategy report which has been considered when producing this report.

5 KEY CONSIDERATIONS

Background

- 5.1** With Government support provided in the form of Capitalisation Directions, the Council operates a balanced budget, which broadly means that cash raised during the year will meet its cash expenditure. Part of the treasury management operation ensures that this cash flow is adequately planned, with surplus monies being invested with low risk counterparties, providing adequate liquidity before considering optimizing investment return.
- 5.2** The second main function of the treasury management service is the funding of the Council's capital plans. These plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending operations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 5.3** The contribution the treasury management function makes to the Council is critical, as the balance of debt and investment operations ensures liquidity and the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will, in effect, result in a loss to the General Fund Balance.
- 5.4** In line with CIPFA the Council defines its treasury management activities as:

“The management of the Council's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

- 5.5** Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

Reporting Requirements

- 5.6** The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of strategies and policies, and estimated and actual figures.

1. Prudential capital and treasury management indicators and treasury strategy (this report) - The first, and most significant report covers:

- the capital plans (including Prudential Indicators);
- a Minimum Revenue Provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an Annual Investment Strategy (the parameters on how investments are to be managed).

2. A mid-year treasury management report – This is primarily a progress report and updates members on the capital position, amending Prudential Indicators as necessary, and advises whether any policies require revision; and

3. An annual treasury report – This is a backward-looking review and provides details of a selection of actual prudential capital and treasury management indicators and of actual treasury operations compared to the estimates.

- 5.7** In addition to the three major reports detailed above quarterly reporting, as at the ends of June and September, is also required. These reports will be included in the financial monitoring provided to Cabinet.

Treasury Management Strategy for 2024/25

- 5.8** The Strategy for 2024/25 covers two main areas, capital and treasury management:

Capital

- Capital expenditure plans and associated Prudential Indicators (paragraphs 6.5 to 6.15); and
- MRP Policy Statement (paragraphs 6.16 and 6.18).

Treasury management

- Current portfolio position (paragraphs 7.2 to 7.4);
- Treasury indicators which limit the treasury borrowing (paragraphs 7.7 to 7.10);
- Prospects for interest rates (paragraph 7.11 to 7.12);
- Borrowing strategy (paragraphs 7.13 to 7.15);
- Policy on borrowing in advance of need (paragraphs 7.16 and 7.18);
- Debt rescheduling (paragraphs 7.19 and 7.20);
- Investment Strategy (paragraph 8);

5.9 These elements cover the requirements of the Local Government Act 2003, Department for Levelling Up, Housing and Communities (DLUHC) Investment Guidance, DLUHC MRP Guidance, the Prudential Code, and the Treasury Management Code.

Training

5.10 The Treasury Management Code requires a Council officer (the “responsible officer”) to ensure that members with responsibility for treasury management receive adequate training in that function. This especially applies to members responsible for scrutiny. Furthermore, the Code states that all organisations are expected to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.

5.11 The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Councils should consider how to assess whether treasury management staff and members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

5.12 As a minimum, organisations should carry out the following to monitor and review knowledge and skills:

- Record attendance at training sessions and ensure action is taken where poor attendance is identified;
- Prepare tailored learning plans for treasury management officers and Council members;
- Require treasury management officers and Council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the Council); and
- Have regular communication with officers and Council members, encouraging them to highlight training needs on an ongoing basis.

- 5.13** In further support of the revised training requirements, CIPFA's Better Governance Forum and Treasury Management Network have produced a 'self-assessment by members responsible for the scrutiny of treasury management.'
- 5.14** Appropriate training will be made available to all Members involved in the monitoring of treasury management performance.

Treasury management consultants

- 5.15** The Council recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. It has, therefore, appointed Link Group, Link Treasury Services Limited (Link) as its external treasury management consultant.
- 5.16** Notwithstanding this appointment, the Council recognises that responsibility for treasury management decisions remains with itself at all times and will ensure that undue reliance is not placed upon the services of external service providers. All decisions will be undertaken with regards to available information, including, but not solely, that provided by Link.

6 THE CAPITAL PRUDENTIAL INDICATORS 2024/25 -2026/27

Introduction

- 6.1** The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the Prudential Indicators for 2024/25 to 2026/27, as attached in Appendix A, which are designed to assist members' overview and to confirm capital expenditure plans. It should be noted that the figures used as the baseline for 2024/25 would usually be taken from the audited accounts for 2022/23. The accounts for 2022/23 and those dating back to 2019/20 are yet to be finalised and audited.
- 6.2** The Corporate Director of Resources (Section 151 Officer) is responsible for setting up and monitoring the Prudential Indicators in accordance with the Council's Capital Strategy.
- 6.3** The Council is also required to confirm that it has adopted the Treasury Management Code.
- 6.4** The Prudential Indicators set will be monitored throughout the year and will be reported to Cabinet on a regular basis.

Capital Expenditure and Financing

- 6.5 The first prudential indicator is a summary of the Council's expenditure plans, both those previously agreed, and those forming part of this budget cycle. Members are asked to approve the following expenditure forecasts.

Table 1: Capital Expenditure

	2022/23 Forecast £m	2023/24 Forecast £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
General Fund services	41.5	43.3	52.3	34.2	29.0
Commercial activities and non-financial investments	-	-	-	-	-
HRA services	37.8	39.0	57.2	97.1	70.5
Capitalisation Direction*	196.0	63.0	38.0	38.0	38.0
TOTAL	275.3	145.3	147.5	169.3	137.5

**The Capitalisation direction figure of £196m includes £36.2m for 22/23 and £159.8m applied to prior years.*

- 6.6 A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any commercial activity in relation to the Council's overall financial position. The capital expenditure figures shown in Table 1 above indicate that no such activity is proposed in the future programme.
- 6.7 The above programme excludes other long-term liabilities, such as Private Finance Initiative (PFI) and leasing arrangements, that already include borrowing instruments.
- 6.8 If approved by DLUHC, the Capitalisation Direction (see paragraph 7.23) will allow for certain items of revenue expenditure to be charged to Capital.
- 6.9 The table below summarises how the plans in Table 1 are being financed by capital and revenue resources. Any shortfall of resources results in a borrowing need.

Table 2: Resources

	2022/23 Forecast £m	2023/24 Forecast £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
Capital receipts	55.0	80.4	57.4	30.0	-
Capital grants	9.7	13.4	19.5	11.5	7.0
S106 payments	1.1	0.4	1.1	0.3	0.3
Community Infrastructure Levy	1.4	7.7	8.3	7.2	6.6
Growth Zone Fund	1.4	3.0	4.0	4.0	4.0
HRA Contribution	1.1	1.4	-	-	-
GENERAL FUND TOTAL	69.7	106.3	90.3	53.0	17.9
HRA revenue	-	13.9	12.2	11.3	16.7
RTB receipts	-	2.1	2.1	2.1	2.2

HRA reserves	22.8	7.5	28.2	24.1	-
Capital grants	1.2	-	-	-	-
S106 payments	0.4	-	-	-	-
Major Repairs Allowance	13.4	15.5	14.7	15.1	15.4
HRA TOTAL	37.8	39.0	57.2	52.6	34.3
Net financing need GF	167.8	-	-	19.2	49.1
Net financing need HRA	-	-	-	44.5	36.2
TOTAL NET FINANCING	167.8	-	-	63.7	85.3
TOTAL	275.3	145.3	147.5	169.3	137.5

The Council's Borrowing Need (Capital Financing Requirement)

6.10 The second Prudential Indicator is the Council's Capital Financing Requirement (CFR). This is the total of historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness, effectively its underlying borrowing need. Any capital expenditure in Table 1, which has not immediately been paid for through a revenue or capital resource, will increase the CFR. However, the CFR does not increase indefinitely, as the MRP is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life and so charges the economic consumption of capital assets as they are used.

6.11 The CFR includes any other long term liabilities such as PFI schemes and finance leases. Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility provided by the PFI or lease provider and the Council is not required to borrow separately to deliver them. The Council currently has £137.9m of such schemes within the CFR.

6.12 The Council is asked to approve the CFR projections below:

Table 3: Capital Financing Requirement

	31/03/23 Forecast £m	31/03/24 Forecast £m	31/03/25 Estimate £m	31/03/26 Estimate £m	2026/27 Estimate £m
General Fund	1,399.9	1,371.9	1,344.5	1,336.8	1,359.2
HRA	365.7	365.7	365.7	410.2	446.4
Total CFR	1,765.6	1,737.6	1,710.2	1,747.0	1,805.6

Table 4: Movement in Capital Financing Requirement

	2022/23 Forecast £m	2023/24 Forecast £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
Net financing need	167.8	-	-	63.7	85.3
Less Minimum Revenue Provision	-45.8	-28.0	-27.4	-26.9	-26.7
Development loans repaid	-24.0	-	-	-	-

Movement in CFR	98.0	-28.0	-27.4	36.8	58.6
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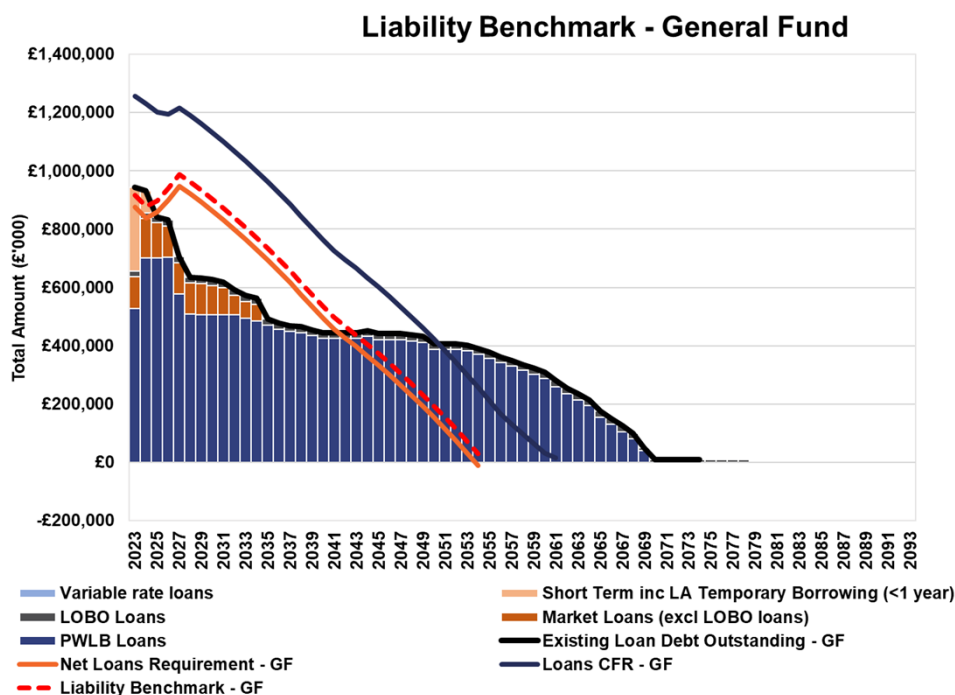
Liability Benchmark

6.13 The third prudential indicator is the Liability Benchmark (LB). The LB is a measure of how well the existing loans portfolio matches the authority’s planned borrowing needs. The Council is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

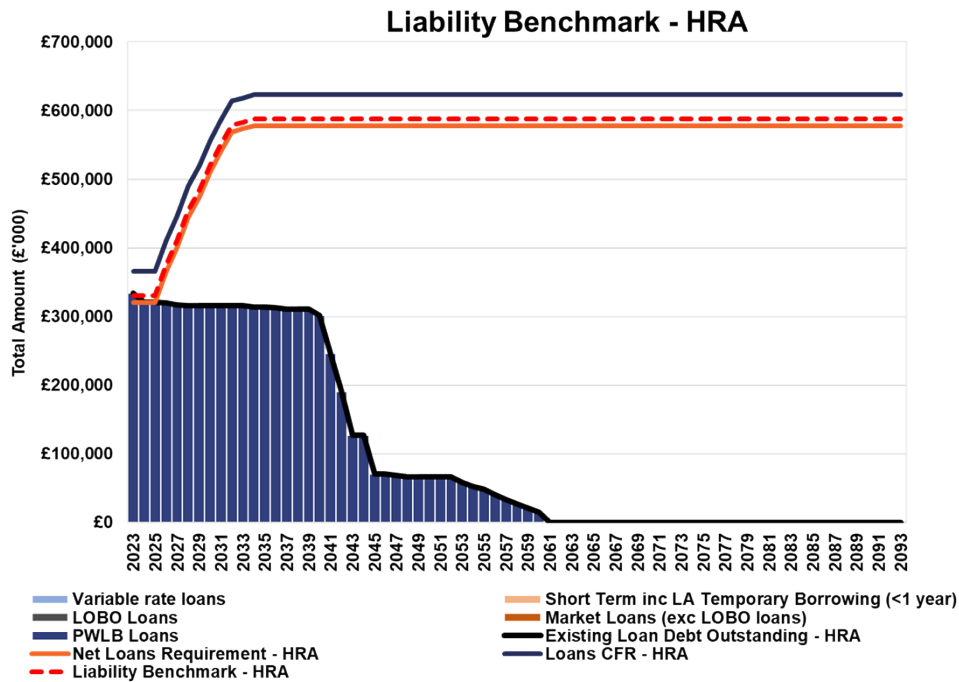
6.14 There are four components to the LB:

- Existing loan debt outstanding in future years;
- Loans CFR: calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP;
- Net loans requirement: this will show the Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast; and
- LB (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

6.15 Separate LBs have been calculated for the General Fund and the HRA and are shown in the charts below:



The LB for the General Fund shows that from 2024 to 2042 there are insufficient loans to meet the borrowing requirement as the Existing Loans Outstanding are below the LB line. The Council will need to fund this gap by either increasing its reliance on internal borrowing or adding to its external borrowing. Most will have to be done through external borrowing as the use of internal borrowing has almost been fully exhausted. From 2043 as the level of Existing Loans Outstanding rises above the LB line the Council will have surplus cash which will need investing.



The projection given above for the Council’s HRA LB benchmark has been taken from the HRA 30 year business plan. This indicates that significant levels of borrowing will be undertaken. This extra borrowing must be self-financed from the HRA account.

Minimum Revenue Provision Policy Statement

- 6.16 The Council’s Minimum Revenue Provision (MRP) Policy Statement is attached as Appendix B.
- 6.17 The MRP policy has been changed from 2024-25 in relation to the Council’s commercial property held as part of its Investment Property Portfolio. It has been amended to correctly follow the Statutory guidance on MRP which is, to make an MRP charge on the debt associated with the purchase of investment properties over an estimated asset life of 40 years. The capital receipt from any disposal of investment properties will be used to reduce the CFR balance associated with its purchase. The change is reflected in point 15 of the MRP Policy Statement.
- 6.18 Prior to the change referred to in 6.17 the policy was:
 - ‘ 15. The Council holds commercial property as part of its Investment Property Portfolio. The assets are held solely for investment purposes and are managed on a fully commercial basis. The Council has the ability to sell the assets to repay any

outstanding debt liabilities related to their purchase, there is still a need to consider if a prudent provision is required. As above, following a stringent risk assessment a contribution to the MRP may be necessary. The market value of the assets will be reviewed on a regular basis and if the asset value significantly decreases, a prudent MRP contribution will be made. For the 2023/24 Budget and the 3 Year MTFS the Council has calculated the projected MRP costs and these are included within the plans.'

7 BORROWING

7.1 The capital expenditure plans set out in paragraph 6.5 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The Treasury Management Strategy covers the relevant treasury / Prudential Indicators, the current and projected debt positions, and the Annual Investment Strategy.

Current Borrowing Position

7.2 The level of the Council's borrowing as at 31 December 2023 was as follows:

Table 5: Borrowing as at 31 December 2023

	Principal £m	Average Rate %
Fixed Rate Funding		
- PWLB ¹	1,037.6	3.72
- Local Authorities ²	75.0	3.34
- Amber Green LEEF 2LLP	5.0	1.60
- European Investment Bank	102.0	2.20
Variable Rate Funding		
- LOBO ³	20.0	4.20
Total External Debt as 31/12/23	1,239.6	3.57
Other long term liabilities	137.9	
Total Debt	1,377.5	

1. PWLB is the Public Works Loan Board, the branch of Government that is the principal lender to local authorities. Included within this amount is the £223.1m borrowed for the HRA self-financing settlement made on 28/3/2012.

2. As an alternative to borrowing from the Government, local authorities have come to the market offering loans at competitive rates.

3. Lender's Option Borrower's Option (LOBOs) loans are commercial debts with options for the lender to vary the rate at pre-set intervals. If the option is exercised, then the Council can either accept the new rate or repay the loan with no penalty.

7.3 The Council's debt maturity profile is set out below and is included as a graph in Appendix C.

Table 6: Debt Maturity Profile at 31 December 2023

	£m	% of External Debt
Under 12 months	78.0	6.3%
12 months to 2 years	128.7	10.4%
2 years to 5 years	90.0	7.3%
5 years to 10 years	137.0	11.0%
10 years and above	805.9	65.0%

7.4 The Council's external gross debt at 31 December 2023 was £1,377.5m and this is forecast to remain the same at 31 March 2024. The Council's forward projections for borrowing are summarised below. The table shows the actual external debt against the CFR, highlighting any over- or under-borrowing.

Table 7: Borrowing and the Capital Financing Requirement

	2022/23 Actual £m	2023/24 Forecast £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
Debt at 1 April	1,364.6	1,277.5	1,239.6	1,287.2	1,374.0
Expected change in debt	-87.1	-37.9	47.6	86.8	83.6
Other long term liabilities(OLTL)	142.6	140.0	137.9	135.3	132.7
Expected change in OLTL	-2.6	-2.1	-2.6	-2.6	-2.6
Actual gross debt at 31 March	1,417.5	1,377.5	1,422.5	1,506.7	1,587.7
CFR	1,765.6	1,737.6	1,710.2	1,747.0	1,805.6
Under/ (over) borrowing	348.1	360.1	287.7	240.3	217.9

The table above assumes that the Council will have to externalise some of its existing internal borrowing as earmarked cash backed reserves which have been used to finance the internal borrowing will be required for future expenditure. It assumes £75m for 2024/25, £50m for 2025/26 and £25m for 2026/27.

Within the above figures the level of debt relating to commercial activities / non-financial investment is:

Table 8: Debt relating to commercial activities / non-financial investment

	2022/23 Actual	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
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Debt at 1 April (£m)	97.1	95.7	94.1	92.5	90.9
Percentage of total external debt (%)	6.9	6.9	6.6	6.2	5.8

7.5 Within the range of Prudential Indicators there are several key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

7.6 The Corporate Director of Resources (Section 151 Officer) reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the budget report.

Treasury indicators: limits to borrowing activity

7.7 Section 3 of the Local Government Act 2003 requires the Council to set limits and to keep under review how much it can afford to borrow. The amounts so determined are to be set on a rolling basis, for the forthcoming financial year and two successive financial years.

7.8 **Operational boundary for external debt.** This is the limit which external debt is not normally expected to exceed. In most cases this would be a similar figure to the CFR but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Table 9: Operational boundary for external debt

	31/03/23 Actual £m	31/03/24 Forecast £m	31/03/25 Estimate £m	31/03/26 Estimate £m	31/03/27 Estimate £m
Debt	1,277.5	1,239.6	1,287.2	1,374.0	1,457.6
Other long term liabilities	140.0	137.9	135.3	132.7	130.1
TOTAL	1,417.5	1,377.5	1,422.5	1,506.7	1,587.7

7.9 **Authorised limit for external debt.** This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents the statutory limit under section 3 (1) of the Local Government Act 2003 beyond which external debt is

prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. The Government can control either the total of all local authority plans, or those of a specific authority, although this power has not yet been exercised.

7.10 At the Council meeting held on 1 March 2023, the Council approved the Authorised Limit for 2023/24 of £1,553.4m. The forecast actual debt for 2023/24 is £1,377.5m and reflects the work done by the Council to date in reducing its external debt. The level of external debt has been identified as and remains a problem for the Council and where possible the Council are looking to reduce this or at least slow the pace of increase over time. The forecast increases in debt are largely driven by Capitalisation Directions being sought by the Council which are due to legacy issues around finance and governance. It is recommended that the Authorised limit for external debt is set based on the Operational boundary plus £50m which is approximately the level for one month of working capital. With this in mind, the Cabinet is asked to recommend to Full Council that it should approve the authorised limit for 2024/25 of £1,472.5m as per the following table:

Table 10: Authorised limit for external debt

	31/3/23 Actual £m	31/03/24 Forecast £m	31/03/25 Estimate £m	31/03/26 Estimate £m	31/03/27 Estimate £m
Debt	1,327.5	1,289.6	1,337.2	1,424.0	1,507.6
Other long term liabilities	140.0	137.9	135.3	132.7	130.1
TOTAL	1,467.5	1,427.5	1,472.5	1,556.7	1,637.7

Prospects for Interest Rates

7.11 Part of the service provided by Link is to assist the Council to formulate a view on future interest rate movements. The following table gives their current forecasts for certainty rates, gilt yields plus 80bps.

Table 11: Interest Rate Forecast December 2023 to December 2026

Link Group Interest Rate View	07.11.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.25	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.40	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.50	3.30	3.30	3.30	3.30	3.30
5 yr PWLB	5.00	4.90	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.60	3.50	3.50	3.50
10 yr PWLB	5.10	5.00	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.70	3.60	3.60	3.50
25 yr PWLB	5.50	5.30	5.10	4.90	4.70	4.50	4.30	4.20	4.10	4.10	4.00	4.00	4.00
50 yr PWLB	5.30	5.10	4.90	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.80	3.80	3.80

- 7.12** Interest rate forecasts have been extremely volatile over the last year, so any forecasts must be viewed with caution. However, the general consensus is that interest rates have peaked and are likely to start a downward trajectory starting in the second half of 2024. Link's commentary on the prospects for interest rates and on the wider economic background are attached as appendices D and E respectively.

Borrowing Strategy

- 7.13** The Council continues to maintain an under-borrowed position. This means that the underlying capital borrowing need (CFR) is not fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow is used as an interim measure. The Council will continue to maximise its use of internal borrowing whilst interest rates remain at perceived elevated levels. The Council has £78.0m of short term debt that needs to be financed over the coming calendar year and this along with any new borrowing will continue to be on a short term basis unless long term rates are deemed to be more optimal.
- 7.14** This strategy is prudent as medium and longer dated borrowing rates are expected to fall over the next couple of years as it appears the current level of interest rates has been enough to address prevailing inflation concerns. The Council will keep this under review and continue to be guided by its investment adviser.
- 7.15** Any borrowing, investment and financing decisions taken are delegated to the S151 Officer and will be reported to Cabinet at the first available opportunity.

Policy on borrowing in advance of need

- 7.16** The Council will not borrow more than or in advance of its needs purely to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved CFR estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.
- 7.17** Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.
- 7.18** The Council is not currently expecting to borrow in advance of need.

Debt rescheduling

- 7.19** Rescheduling of current borrowing is unlikely to occur as there is still a large difference between premature redemption rates and new borrowing rates, although the Council will have to refinance maturing debt.

- 7.20** If rescheduling is to be undertaken it will be reported to Cabinet, at the earliest meeting following its action.

Sources of borrowing

- 7.21** The Council's main source of finance has traditionally been borrowing from the Public Works Loan Board (PWLB) where funds can be borrowed for up to 50 years.
- 7.22** Currently the PWLB Certainty Rate is set at gilts +80 basis points for General Fund borrowing and gilts +60 basis points for HRA borrowing. The Council will continue to look at other sources, but has struggled to borrow from other sources due to it being perceived as having a higher risk than other local authority counterparties.
- 7.23** The Council's Medium Term Financial Plan includes the provision of Capitalisation Directions from Government to support the budget gap of £38.0m per annum within the Revenue Account. This allows the Council to charge some of its revenue expenditure to capital. It is for the Council to decide which of its capital resources eg capital receipts or borrowing to allocate for this purpose at year end. Should the Council choose to borrow from the PWLB to finance the Capitalisation Directions it will be charged the more disadvantageous rate of PWLB+1%. MRP will be required using the asset life method with a proxy 'asset life' of no more than 20 years. To date, the Council has not needed to use this borrowing facility.
- 7.24** The Council's 2024/25 Financial Plan indicates a £38m gap to its budget requirement and this is being supported by the allocation of a further capitalisation direction by Government.

8 ANNUAL INVESTMENT STRATEGY

Investment Policy – Management of Risk

- 8.1** DLUHC, formerly MHCLG, and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, as managed by the treasury management team. Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the Capital Strategy.
- 8.2** The Council's Investment Policy has regard to the following: -
- DLUHC's Guidance on Local Government Investments; and
 - Treasury Management Code and Guidance Notes.
- 8.3** The Council's investment priorities will be security first, portfolio liquidity second and then yield. The Council will aim to achieve the optimum yield on its investments

commensurate with proper levels of security and liquidity and with regard to its risk appetite.

8.4 In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider “laddering” investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated.

8.5 The guidance from DLUHC and CIPFA places a high priority on the management of risk. The Council adopts a prudent approach to managing risk and defines its risk appetite by the following means:

- Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
- Other information: ratings will not be the sole determinant of the quality of an institution; it is important continually to assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisers to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.
- Other information sources used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Investment Policy – Council implementation

8.6 The Council has defined the list of types of investment instruments that the treasury management team are authorised to use. They are placed in one of two categories:

Specified investments are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.

Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

Detailed explanations of investment instruments included in the two categories are provided in Appendix F.

- 8.7** The Council's criteria for the selection of counterparties for investments are based on Link's assessment using formal credit ratings issued by various agencies. Credit rating information is supplied by Link on all active counterparties. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur, and this information is considered before dealing.
- 8.8** Each week, the Council, along with other clients, receives from Link a "Suggested Credit List." This is accompanied by a disclaimer reminding recipients, inter alia, as follows:

This document is intended for the use and assistance of customers of Link Asset Services. It should not be regarded as a substitute for the exercise by the recipient of its own judgement.

- 8.9** Notwithstanding this and other similar clauses Link are the largest suppliers of treasury management advisory services to UK local authorities and understand the market well. In their analysis they take into account the views of each of the three major credit ratings agencies along with the pricing of credit default swaps and market intelligence. They are better placed than Council officers to carry out this analysis and the Council has adopted the following lending list criteria:

Specified investments

AAA rated money market funds - limit £20m
Debt Management Office – no limit
All UK local authorities – limit £10m
NatWest as the Council's banker – limit £25m
Duration of up to one year.

Non-specified investments

All institutions included on Link's weekly "Suggested Credit List" – limit £10m
All UK local authorities with duration over one year – limit £10m
Duration to be determined by the "Suggested Credit List" from Link

- 8.10** The Council will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 8.15). Regular monitoring of investment performance will be carried out during the year.

Investment Strategy

- 8.11** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate having peaked in the second half of 2023 and possibly reducing as early as the second half of 2024 so an agile investment strategy is appropriate to optimise returns.
- 8.12** Accordingly, while most cash balances are required in order to manage the fluctuations of cash flow, where surplus cash sums become available it is expected that these will be used to repay debt. However this will be assessed against income that could be generated through longer term investments.
- 8.13** As at 31 December 2023, the Council held £61.7m in short-term investments as shown in table 6 below. The Council deems it appropriate to hold between £50-100m in liquid investments in order to ensure it has the funds to meet its day to day expenditure arising from its operating needs. Any funds above those required to meet day to day expenditure will be used to repay debt as it matures. Daily liquidity requirements will be met by investing in AAA-rated MMFs. As investment rates are influenced throughout the year by the release of key items of data, there may be occasions when some investments will be pitched towards specific periods to take advantage of any unexpected higher rates resulting from data issued.

Table 12: Temporary Investments as at 31 December 2023

	Principal £m	Average Rate %
Money Market Funds	55.20	5.29
Other Local Authorities	6.60	5.75
Total Temporary investments outstanding as at 31/12/23	61.7	5.34

- 8.14** Based on cashflow forecasts for 2024/25 the Council anticipates its average daily cash balances for the year to be £75m. The overall balances include HRA revenue balances for which an apportionment of interest earned is made. The net income then due to the General Fund is estimated at £1.5m.

Investment returns expectations

- 8.15** The current forecast is based on suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

Table 13: Average Earnings in Each Year

Average earnings in each year	
2023/24	4.40%
2024/25	3.30%
2025/26	2.60%
2026/27	2.50%
Years 6 to 10	2.80%
Years 10+	2.80%

8.16 Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity and debt repayment requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end. The Council will be keeping minimal cash balances and so require liquidity which means it will not be investing sums over 365 days.

8.17 The Council is asked to approve the following treasury indicator and limit: -

Table 14: Upper limit for principal sums invested for longer than 365 days

Upper limit for principal sums invested for longer than 365 days			
£m	2024/25	2025/26	2026/27
Principal sums invested for longer than 365 days	£m 0	£m 0	£m 0
Current investments as at 31 December 2023 in excess of 1 year	0	0	0

End of Year Investment Report

8.18 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

9 CONSULTATION IF REQUIRED

None

10 CONTRIBUTION TO COUNCIL PRIORITIES IF REQUIRED

- 10.1** The Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2024/25 supports the Mayors Business Plan 2022-2026 objective one 'The council balances its books, listens to residents and delivers good sustainable services'.

11 IMPLICATIONS

11.1 FINANCIAL IMPLICATIONS

- 11.1.1** Financial implications have been provided throughout this report.
- 11.1.2** The Council has high costs of borrowing and therefore careful and prudent treasury management is required to avoid unnecessary costs to the revenue account.
- 11.1.3** Comments approved by Allister Bannin on behalf of the Director of Finance. (date 19/01/2024)

11.2 LEGAL IMPLICATIONS

- 11.2.1** The Head of Litigation and Corporate Law comments on behalf of the Director of Legal Services and Monitoring Officer that the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) made pursuant to the Local Government Act 2003 require the Council to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities ("The Prudential Code"). Regulations 23 and 24 provide respectively that capital receipts may only be used for specified purposes and that in carrying out its capital finance functions, a local authority must have regard to the code of practice in "Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes " ("The Treasury Code") issued by CIPFA.
- 11.2.2** In relation to the Annual Investment Strategy, the Council is required to have regard to the Guidance issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003 entitled "Statutory guidance on Local Government Investments 3rd Edition" which is applicable from and effective for financial years commencing on or after 1 April 2018.
- 11.2.3** In addition, the Prudential Code and the Treasury Code contain investment guidance which complements the Statutory Guidance mentioned above.
- 11.2.4** Local authorities are required to have regard to the current editions of the CIPFA codes by regulations 2 and 24 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended.
- 11.2.5** Under the provisions of Section 3(1) and (8) of the Local Government Act 2003, the Council must determine and keep under review how much money

it can afford to borrow, and the function of determining and keeping these levels under review is a full Council, rather than an executive function.

11.2.6 The Council must also have regard to the Guidance issued by the Secretary of State under Section 21(1A) of the Local Government Act 2003 entitled 'Statutory guidance on minimum revenue provision'.

11.2.7 As set out earlier in this report, the Prudential Code requires authorities to prepare a capital strategy.

11.2.8 Comments approved by Sandra Herbert, the Head of Litigation & Corporate Law on behalf of the Director of Legal Services and Monitoring Officer. (Date 09/01/2024)

11.3 EQUALITIES IMPLICATIONS

11.3.1 Under the Public Sector Equality Duty of the Equality Act 2010, decision makers must evidence consideration of any potential impacts of proposals on groups who share the protected characteristics, before decisions are taken. This includes any decisions relating to how authorities act as employers; how they develop, evaluate and review policies; how they design, deliver and evaluate services, and also how they commission and procure services from others.

11.3.2 Section 149 of the Act requires public bodies to have due regard to the need to:

- Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- Foster good relations between people who share a protected characteristic and people who do not share it.

11.3.3 Although no EQI has been submitted for this report, it is understood from the report that there is no negative impact arising as a result of the proposals in this report for any protected groups.

11.3.4 Comments approved by Naseer Ahmad on behalf of the Equalities Manager. (Date 11/01/2014)

11.4 HUMAN RESOURCES IMPLICATIONS

11.4.1 There are no immediate human resource implications arising from this report. It is essential the council, with Government support, operates a prudent approach to achieve a balanced budget, where cash raised during the year will meet its cash expenditure and the effective operation of treasury management supports this. In the event that the council cannot achieve a balanced budget this would likely have workforce implications and to effect such consequential changes the council would need to apply its HR policy

and procedure framework, including meaningful consultation with any affected staff and their trade union representatives.

11.4.2 Approved by: Dean Shoesmith, Chief People Officer. (Date 12/01/2024)

12 APPENDICES

- 12.1** Appendix A - Capital and Treasury Management Prudential Indicators 2024/25 -2026/27
- Appendix B - Minimum Revenue Provision Policy Statement 2024/25
- Appendix C - Long-term debt profile
- Appendix D - Commentary on prospects for interest rates – December 2023
- Appendix E - Economic background – December 2023
- Appendix F - Specified and non-specified investments

13 BACKGROUND DOCUMENTS

- 13.1** Capital Strategy and Medium Term Financial Plan

CONTACT OFFICER: Matthew Hallett, Acting Head of Pensions and Treasury Ext 27148

CAPITAL AND TREASURY MANAGEMENT PRUDENTIAL INDICATORS 2023/24 – 2025/26**CAPITAL**

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the plans is reflected in the Prudential Indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Capital Expenditure

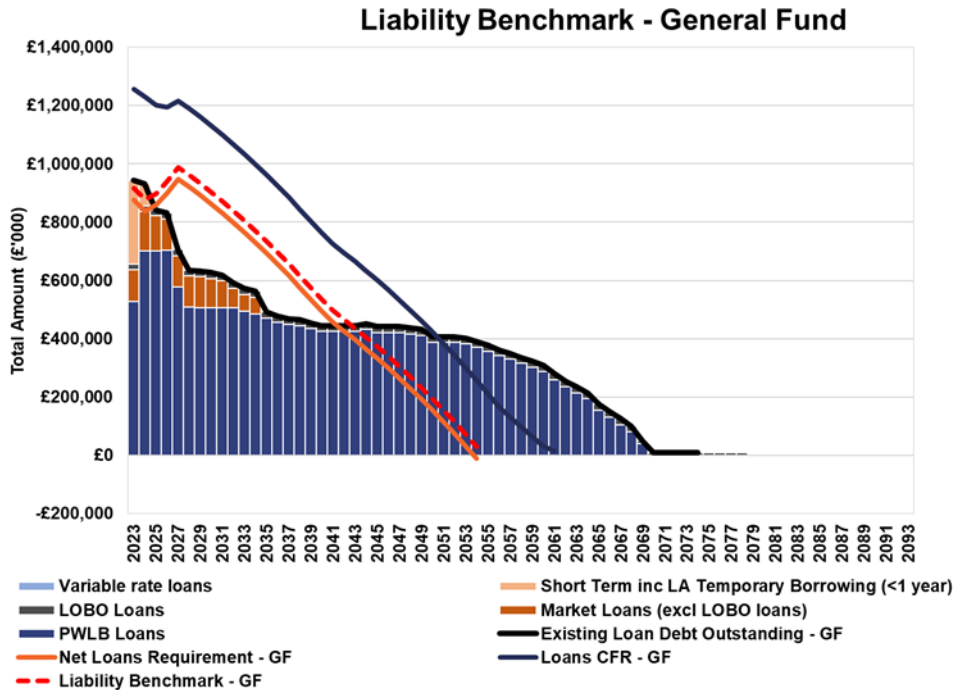
	2022/23 Forecast £m	2023/24 Forecast £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
General Fund services	41.5	43.3	52.3	34.2	29.0
Commercial activities and non-financial investments	-	-	-	-	-
HRA services	37.8	39.0	57.2	97.1	70.5
Capitalisation Direction*	196.0	63.0	38.0	38.0	38.0
TOTAL	275.3	145.3	147.5	169.3	137.5

**The Capitalisation direction figure of £196m includes £36.2m for 22/23 and £159.8m applied to prior years.*

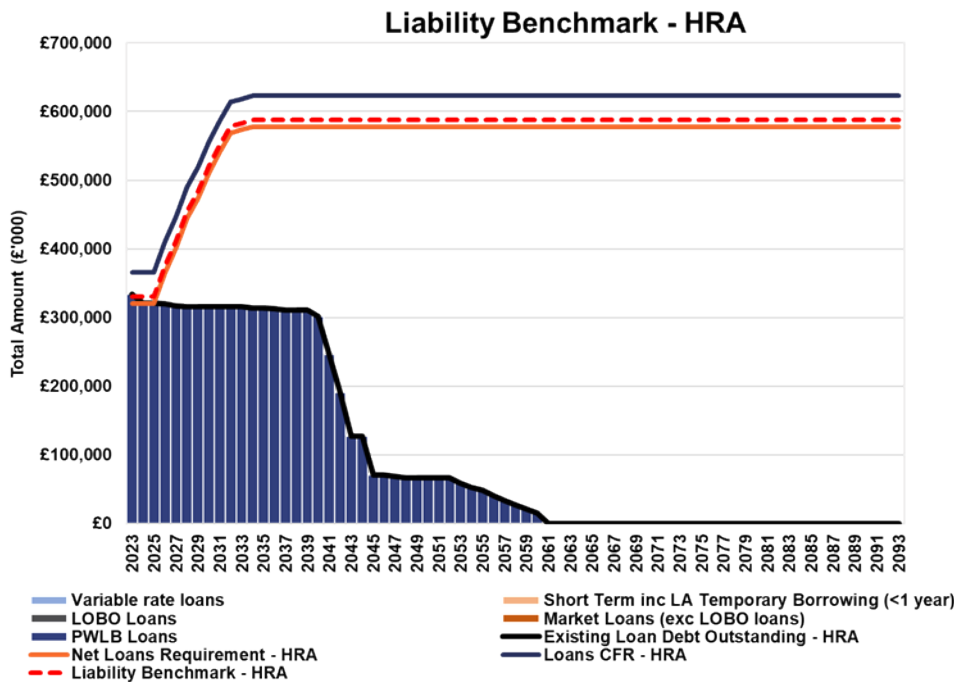
Capital Financing Requirement Projections

	31/03/23 Forecast £m	31/03/24 Forecast £m	31/03/25 Estimate £m	31/03/26 Estimate £m	2026/27 Estimate £m
General Fund	1,399.9	1,371.9	1,344.5	1,336.8	1,359.2
HRA	365.7	365.7	365.7	410.2	446.4
Total CFR	1,765.6	1,737.6	1,710.2	1,747.0	1,805.6

Liability Benchmark



The LB for the General Fund shows that from 2024 to 2042 there are insufficient loans to meet the borrowing requirement as the Existing Loans Outstanding are below the LB line. The Council will need to fund this gap by either increasing its reliance on internal borrowing or adding to its external borrowing. Most will have to be done through external borrowing as the use of internal borrowing has almost been fully exhausted. From 2043 as the level of Existing Loans Outstanding rises above the LB line the Council will have surplus cash which will need investing.



The projection given above for the Council's HRA LB benchmark has been taken from the HRA 30 year business plan. This indicates that significant levels of borrowing will be undertaken. This extra borrowing must be self-financed from the HRA account.

Debt and Capital Financing Requirement

	2022/23 Actual £m	2023/24 Forecast £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
Debt at 1 April	1,364.6	1,277.5	1,239.6	1,287.2	1,374.0
Expected change in debt	-87.1	-37.9	47.6	86.8	83.6
Other long term liabilities(OLTL)	142.6	140.0	137.9	135.3	132.7
Expected change in OLTL	-2.6	-2.1	-2.6	-2.6	-2.6
Actual gross debt at 31 March	1,417.5	1,377.5	1,422.5	1,506.7	1,587.7
CFR	1,765.6	1,737.6	1,710.2	1,747.0	1,805.6
Under/ (over) borrowing	348.1	360.1	287.7	240.3	217.9

The table above assumes that the Council will have to externalise some of its existing internal borrowing as earmarked cash backed reserves which have been used to finance the internal borrowing will be required for future expenditure. It assumes £75m for 2024/25, £50m for 2025/26 and £25m for 2026/27.

Authorised limit for external debt

	31/3/23 Actual £m	31/03/24 Forecast £m	31/03/25 Estimate £m	31/03/26 Estimate £m	31/03/27 Estimate £m
Debt	1,327.5	1,289.6	1,337.2	1,424.0	1,507.6
Other long term liabilities	140.0	137.9	135.3	132.7	130.1
TOTAL	1,467.5	1,427.5	1,472.5	1,556.7	1,637.7

Affordability Prudential Indicators

The previous sections cover the overall capital and control of borrowing Prudential Indicators,

but within this framework Prudential Indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

a) Ratio of Financing Costs to Net Revenue Stream

This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs net of investment income), against the net revenue stream.

	2022/23 Actual %	2023/24 Forecast %	2024/25 Estimate %	2025/26 Estimate %	2026/27 Estimate %
General Fund	12.6	16.1	17.1	16.4	15.8
HRA	13.7	12.1	12.2	14.1	14.4

The estimates of financing costs include current commitments and the proposals in the budget report.

It is acknowledged that the cost of servicing the Council's debt for the General Fund is too high and not sustainable in the long term and a ratio of Financing Costs to the Net Revenue Stream of under 10% should be targeted to ensure sustainability.

b) Ratio of debt to net revenue stream General Fund

	31/03/23 Actual	31/03/24 Forecast	31/03/25 Estimate	31/03/26 Estimate	31/03/27 Estimate
General Fund CFR (£m)	1,399.9	1,371.9	1,344.5	1,336.8	1,359.2
General Fund Debt excluding (£m) Other long term liabilities	943.2	919.1	966.7	979.5	1,026.9
Net Revenue Stream (£m)	320.3	340.9	361.3	371.3	381.0
Ratio of CFR to Net Revenue Stream	4.4	4.0	3.7	3.6	3.6
Ratio of Debt to Net Revenue Stream	2.9	2.7	2.6	2.6	2.7

It is acknowledged that the Council's debt is too high and not sustainable in the long term and a ratio of the CFR to the Net Revenue Stream of 2.5 should be targeted to ensure sustainability.

c) Ratio of Debt to Revenue HRA

	31/03/23 Actual	31/03/24 Forecast	31/03/25 Estimate	31/03/26 Estimate	31/03/27 Estimate
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HRA debt £m	334.3	320.5	320.5	394.5	430.7
HRA debt cap (CFR) £m	365.7	365.7	365.7	410.2	446.4
HRA revenues £m	88.1	96.0	103.1	105.1	107.1
Ratio of debt to revenues (debt/revenue)	3.8	3.3	3.1	3.9	4.2

TREASURY MANAGEMENT

Investment treasury indicator and limit - total principal funds invested for greater than 365 days.

These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end. The Council will be keeping minimal cash balances and so require liquidity which means it will not be investing sums over 365 days.

The Council is asked to approve the following treasury indicator and limit:

Upper limit for principal sums invested for longer than 365 days			
£m	2023/24	2024/25	2025/26
Principal sums invested for longer than 365 days	£m 0	£m 0	£m 0
Current investments as at 31 December 2022 in excess of 1 year	0	0	0

Maturity structure of borrowing

These gross limits are set to reduce the Council's exposure to large, fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

Maturity structure of fixed interest rate borrowing 2023/24			
	At 31 December 2023	Lower	Upper
Under 12 months	6.3%	0%	20%
12 months to 2 years	10.4%	0%	20%
2 years to 5 years	7.3%	0%	30%
5 years to 10 years	11.0%	0%	30%
10 years and above	65.0%	0%	100%

MINIMUM REVENUE PROVISION POLICY STATEMENT 2024/25

1. Regulation 28 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 2003/3146, as amended] states that:

“a local authority shall determine for the current financial year an amount of minimum revenue provision which it considers to be prudent”.

The regulations provide authorities discretion in deciding their annual amount of Minimum Revenue Provision (hereafter MRP). Statute (S.21 (1)(A) of LGA 2003) requires authorities to “have regard” to the MRP Guidance and the recommendations within it.

2. Regulation 28 does not define prudent provision, the MRP guidance issued by MHCLG (now DLUHC) makes recommendations on the interpretation of that term. Within this guidance it is acknowledged that while four methodologies are available to authorities, other approaches are not meant to be ruled out, provided they are fully consistent with the statutory duty to make prudent revenue provision. Therefore it is recognised that in some cases a more individually designed MRP approach is justified, taking into account local circumstances.

3. The Council has given regard to Guidance issued by the Secretary of State under Section 21(1A) of the Local Government Act 2003 which was revised in November 2020.

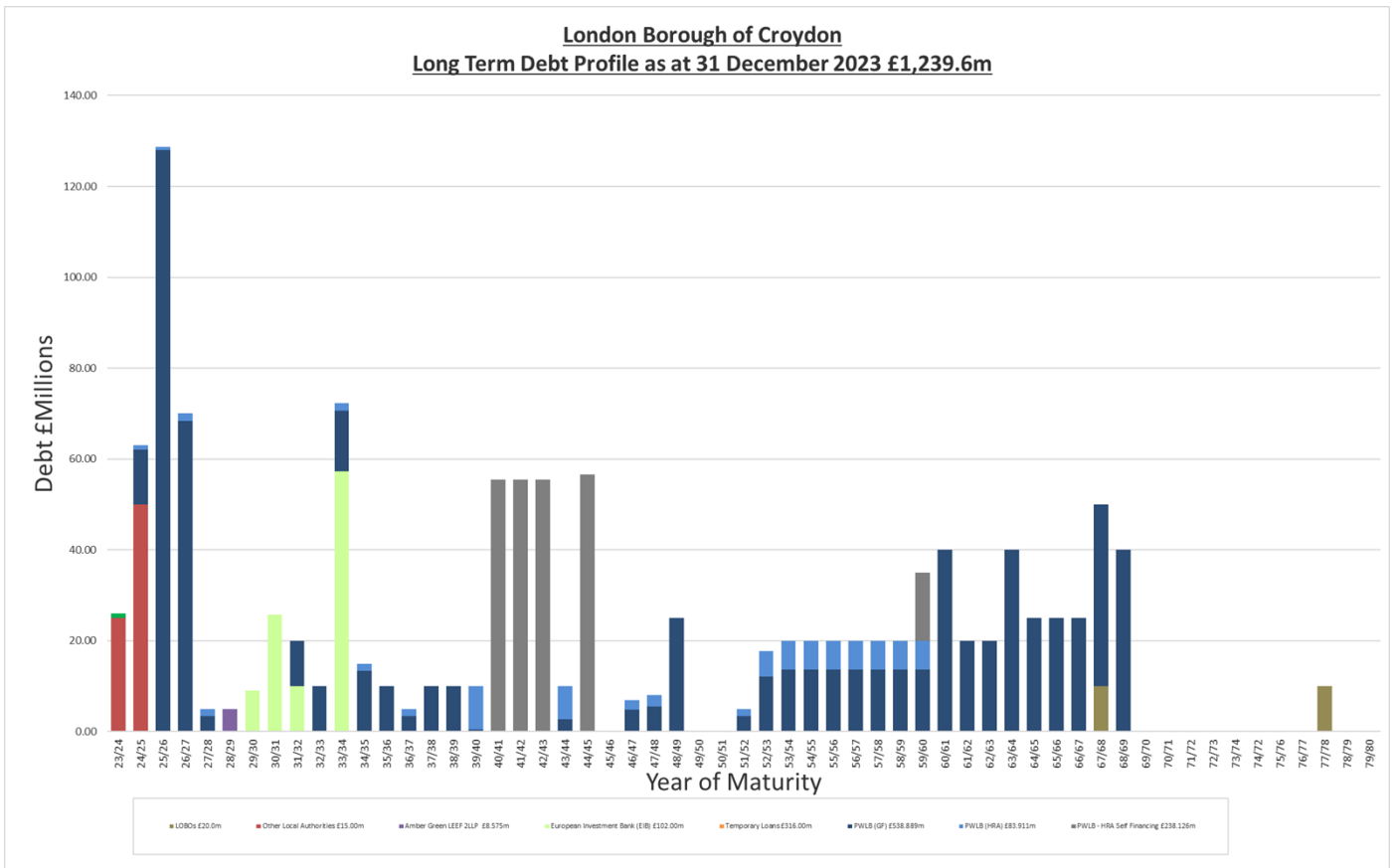
4. The Council’s MRP Policy Statement for 2024/2025 is to be as follows:

5. For the proportion relating to historic debt (incurred up to 31 March 2008) and to Government-supported capital expenditure incurred since, the MRP policy will be to adopt Option 1 - the Regulatory Method by providing a fixed amount each financial year, calculated at 2% of the balance at 31 March 2015, reducing on a straight line basis so that the whole debt is repaid after 50 years.

6. For unsupported borrowing undertaken since 1 April 2008, reflected within the CFR debt liability at 31 March 2023, the MRP policy will be to adopt Option 3 – Asset Life Method – Annuity method from the Guidance. Estimated life periods will continue to be determined as indicated in the Guidance. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the Guidance would not be appropriate. The total useful life will not exceed 50 years which would be in line with MRP Guidance.

7. As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

8. Where schemes are not fully completed at the end of the financial year, MRP charges will be deferred until the schemes are complete and the assets are operational.
9. MRP on Public Finance Initiative (PFI) schemes debt is to be charged on an annuity basis over the remaining life of each scheme.
10. The Council retains the right to undertake additional voluntary payments if required (Voluntary Revenue Provision – VRP). In addition, the Council commits to set aside a minimum of 2% of Capital Financing Requirement for MRP in the event the total MRP charge is less than 2% of the total CFR.
11. There may be circumstances when the Council may not make a provision for the repayment of the debt liability. In such circumstances where the authority has had regard to the guidance and chooses an alternative approach, the authority will set out the reasons in support to demonstrate it is satisfied that the arrangement is prudent
12. Where the Council has provided loan(s) to a third party to support capital expenditure which is due to be repaid in full under the terms of the contractual agreements, the loan repayments are classed as a capital receipt. Any principal sum repaid will be set aside to reduce the increase in the CFR which relates to any such loan(s) provided.
13. In circumstances where the Council has previously determined not to set aside a provision to repay the debt liability, an annual review will be undertaken to determine if the amount and timing of any loan repayment remains in accordance with the formal loan agreement. Where there is evidence which suggests that the full amount will not be repaid, it would be prudent to reassess the need to commence MRP to recover the impaired amounts from revenue. This will be reviewed on an annual basis to assess the likelihood of default. If required, a prudent MRP policy will commence, following a stringent risk assessment process.
14. The Council holds commercial property as part of its Investment Property Portfolio. The assets are held solely for investment purposes and are managed on a fully commercial basis. The Council will make an MRP charge on debt associated with the purchase of investment properties over an estimated asset life of 40 years. The capital receipt from any disposal of investment properties will be used to reduce the CFR balance associated with its purchase.
15. The Council holds an investment in the Real Lettings Property Fund LP under a 7-year life arrangement which is due to be returned in full at maturity with interest paid on outstanding balances annually. The investment is treated as capital expenditure with the Council's CFR increasing by this amount. At maturity, the funds returned to the Council will be treated as a capital receipt and the CFR will reduce accordingly. No MRP has been charged as annual valuations have determined that Council's investment has not impaired in value but has increased instead. The investment is relatively short-term in duration and the funds are to be returned in full.
16. Loans borrowed from Amber Green LEEF 2LLP, an alternative source to fund energy efficiency and carbon reduction schemes at certain educational institutions within the Borough will be recovered in full from these institutions. As such, the Council has determined there is no need to set aside prudent provision to repay the debt liability in the interim period, and therefore no MRP application is required.



COMMENTARY ON PROSPECTS FOR INTEREST RATES PROVIDED BY LINK GROUP
DECEMBER 2023

The Authority has appointed Link Group as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. Link provided the following forecasts on 07 November 2023. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View	07.11.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.25	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.40	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.50	3.30	3.30	3.30	3.30	3.30
5 yr PWLB	5.00	4.90	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.60	3.50	3.50	3.50
10 yr PWLB	5.10	5.00	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.70	3.60	3.60	3.50
25 yr PWLB	5.50	5.30	5.10	4.90	4.70	4.50	4.30	4.20	4.10	4.10	4.00	4.00	4.00
50 yr PWLB	5.30	5.10	4.90	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.80	3.80	3.80

Additional notes by Link on this forecast table: -

- Our central forecast for interest rates was previously updated on 25 September and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least H2 2024. We expect rate cuts to start when both the CPI inflation and wage/employment data are supportive of such a move, and that there is a likelihood of the overall economy enduring at least a mild recession over the coming months, although most recent GDP releases have surprised with their on-going robustness.
- Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.
- In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.
- On the positive side, consumers are still anticipated to be sitting on some excess savings left over from the pandemic, which could cushion some of the impact of the above challenges and may be the reason why the economy is performing somewhat better at this stage of the economic cycle than may have been expected. However, as noted previously, most of those excess savings are held by more affluent households whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

PWLB RATES

- Gilt yield curve movements have broadened since our last Newsflash. The short part of the curve has not moved far but the longer-end continues to reflect inflation concerns. At the time of writing there is 60 basis points difference between the 5 and 50 year parts of the curve.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is to the downside.

Downside risks to current forecasts for UK gilt yields and PWLB rates include: -

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, could keep gilt yields high for longer).
- **The Bank of England** has increased Bank Rate too fast and too far over recent months, and subsequently brings about a deeper and longer UK recession than we currently anticipate.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Geopolitical risks**, for example in Ukraine/Russia, the Middle East, China/Taiwan/US, Iran and North Korea, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates: -

- Despite the recent tightening to 5.25%, the **Bank of England proves too timid** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to remain elevated for a longer period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.
- **The pound weakens** because of a lack of confidence in the UK Government's pre-election fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer-term **US treasury yields** rise strongly if inflation remains more stubborn there than the market currently anticipates, consequently pulling gilt yields up higher. (We saw some movements of this type through October although generally reversed in the last week or so.)
- Projected **gilt issuance, inclusive of natural maturities and QT**, could be too much for the markets to comfortably digest without higher yields compensating.

LINK GROUP FORECASTS

We now expect the MPC will keep Bank Rate at 5.25% for the remainder of 2023 and the first half of 2024 to combat on-going inflationary and wage pressures. We do not think that the MPC will increase Bank Rate above 5.25%, but it is possible.

Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, as inflation starts to fall through the remainder of 2023 and into 2024.

Our target borrowing rates are set **two years forward** (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB debt	Current borrowing rate as at 06.11.23 p.m.	Target borrowing rate now (end of Q3 2025)	Target borrowing rate previous (end of Q3 2025)
5 years	5.02%	3.80%	3.90%
10 years	5.15%	3.80%	3.80%
25 years	5.61%	4.20%	4.10%
50 years	5.38%	4.00%	3.90%

Borrowing advice: Our long-term (beyond 10 years) forecast for Bank Rate has increased from 2.75% to 3% and reflects Capital Economics' research that suggests AI and general improvements in productivity will be supportive of a higher neutral interest rate. As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates will remain elevated for some time to come but may prove the best option whilst the market continues to wait for inflation, and therein gilt yields, to drop back later in 2024.

Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are rounded to the nearest 10bps and set out below. You will note that investment earnings have been revised somewhat higher for all years from 2025/26 as Bank Rate remains higher for longer.

Average earnings in each year	Now	Previously
2023/24 (residual)	5.30%	5.30%
2024/25	4.70%	4.70%
2025/26	3.20%	3.00%
2026/27	3.00%	2.80%
2027/28	3.25%	3.05%
Years 6 to 10	3.25%	3.05%
Years 10+	3.25%	3.05%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

ECONOMIC BACKGROUND – DECEMBER 2023

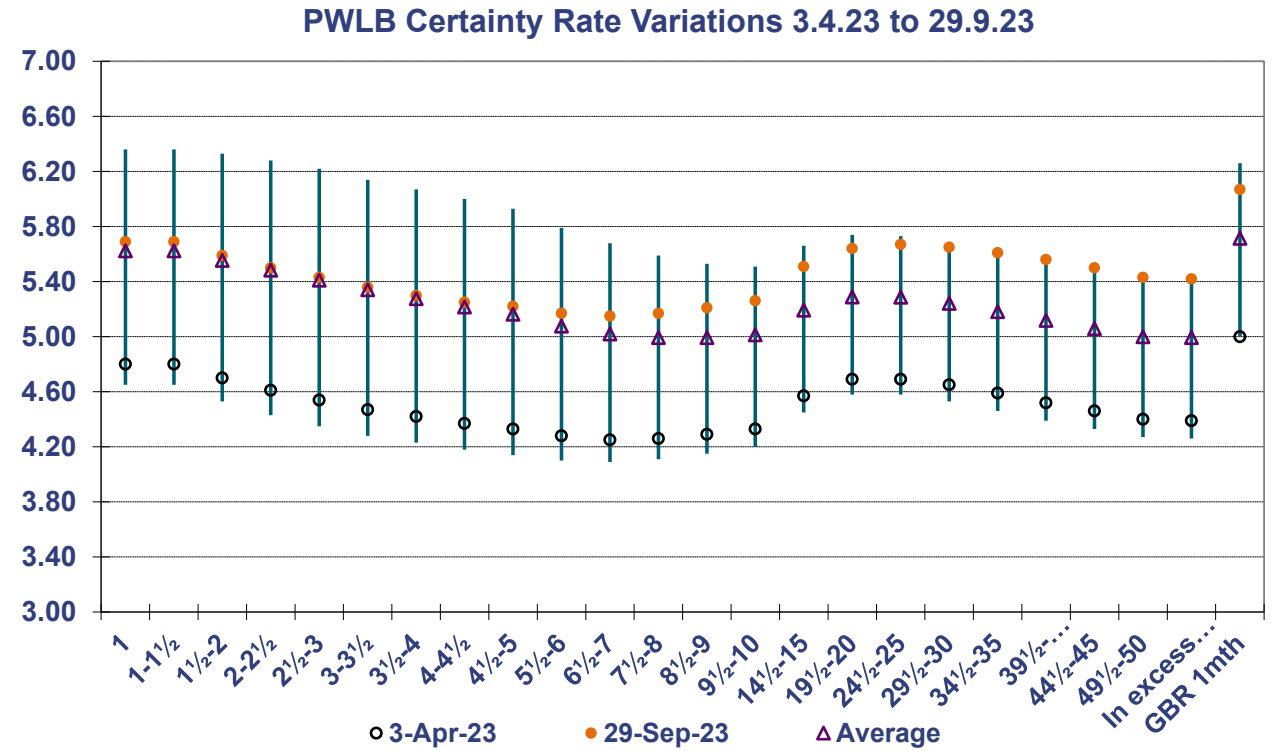
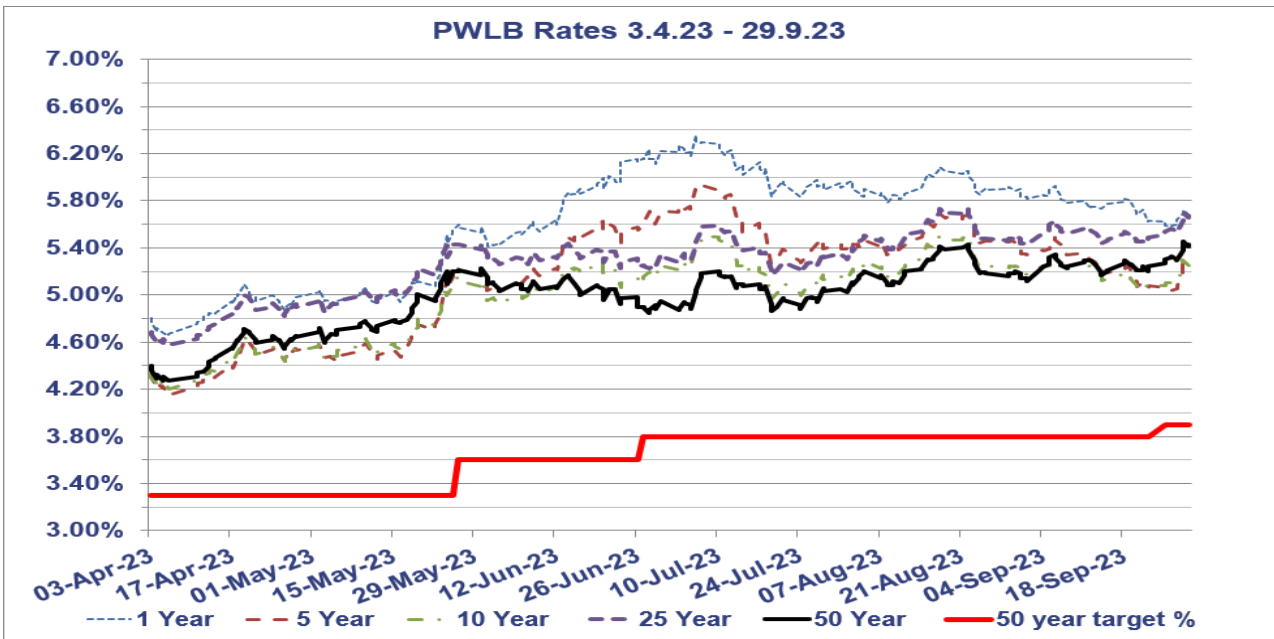
- The first half of 2023/24 saw:
 - Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
 - Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
 - CPI inflation falling from 8.7% in April to 6.7% in September, its lowest rate since February 2022, but still the highest in the G7.
 - Core CPI inflation declining to 6.1% in September from 7.1% in April and May, a then 31 years high.
 - A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the growth of average earnings rose by 7.8% for the period June to August, excluding bonuses).
- The registering of 0% GDP for Q3 suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.
- The fall in the composite Purchasing Managers Index from 48.6 in August to 46.7 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0% quarter on quarter rise in real GDP in the period July to September, being followed by a contraction in the next couple of quarters.
- The 0.4% month on month rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.
- As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of- living situation without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.
- The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the

labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.

- But the cooling in labour market conditions still has not fed through to an easing in wage growth. The headline rate rose 7.8% for the period June to August, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular annual average total pay growth for the private sector was 7.1% in June to August 2023, for the public sector this was 12.5% and is the highest total pay annual growth rate since comparable records began in 2001. However, this is affected by the NHS and civil service one-off non-consolidated payments made in June, July and August 2023. The Bank of England's prediction was for private sector wage growth to fall to 6.9% in September.
- CPI inflation declined from 6.8% in July to 6.7% in August and September, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.1%. That reverses all the rise since March.
- In its latest monetary policy meeting on 06 November, the Bank of England left interest rates unchanged at 5.25%. The vote to keep rates on hold was a split vote, 6-3. It is clear that some members of the MPC are still concerned about the stickiness of inflation.
- Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. In terms of messaging, the Bank once again said that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures", citing the rise in global bond yields and the upside risks to inflation from "energy prices given events in the Middle East". So, like the Fed, the Bank is keeping the door open to the possibility of further rate hikes. However, it also repeated the phrase that policy will be "sufficiently restrictive for sufficiently long" and that the "MPC's projections indicate that monetary policy is likely to need to be restrictive for an extended period of time". Indeed, Governor Bailey was at pains in his press conference to drum home to markets that the Bank means business in squeezing inflation out of the economy.
- This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates in the future.

In the table below, the rise in gilt yields across the curve as a whole in 2023/24, and therein PWLB rates, is clear to see.

PWLB RATES 01.04.23 - 29.09.23



HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.23 – 29.09.23

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.14%	4.20%	4.58%	4.27%
Date	06/04/2023	06/04/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.51%	5.73%	5.45%
Date	06/07/2023	07/07/2023	22/08/2023	17/08/2023	28/09/2023
Average	5.62%	5.16%	5.01%	5.29%	5.00%
Spread	1.71%	1.79%	1.31%	1.15%	1.18%

The peak in medium to longer dated rates has generally arisen in August and September and has been primarily driven by continuing high UK inflation, concerns that gilt issuance may be too much for the market to absorb comfortably, and unfavourable movements in US Treasuries.

The S&P 500 and FTSE 100 have struggled to make much ground through 2023.

CENTRAL BANK CONCERNS

Currently, the Fed has pushed up US rates to a range of 5.25% to 5.5%, whilst the MPC followed by raising Bank Rate to 5.25%. EZ rates have also increased to 4% with further tightening a possibility.

Ultimately, however, from a UK perspective it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

SPECIFIED AND NON-SPECIFIED INVESTMENTS

- a. **Specified Investments** - Where there is a change in the current investment policy this is specifically noted. All investments shall consist of investments under one year as follows:
- Debt Management Agency Deposits Facility (DMADF) which is currently available for investments up to six months.
 - Term deposits with the UK Government or with UK local authorities (i.e. local authorities as defined under Section 23 of the 2003 Act) with maturities up to one year.
 - Term deposits with credit - rated deposit takers (banks and building societies) including callable deposits, with maturities up to one year.
 - Certificate of Deposits issued by credit - rated deposit takers (banks and building societies) up to one year.
 - AAA rated Money Market Funds (i.e. a collective investment scheme as defined in SI. 2004 No 534).
 - Bonds issued by multinational development banks (as defined in SI 2004 No 534) with maturities under 12 months. The Council currently does not invest in this type of investment. It is recommended, however, that these can now be used and held until maturity, after consulting and taking advice from the treasury management consultants.
 - Enhanced AAA rated Money Market Funds. These funds differ from traditional AAA Money Market Funds in that they take more interest rate risk by managing portfolios with a longer weighted average maturity period. They may also take greater credit risk by holding assets with lower credit ratings and / or have a longer weighted average life. Depending on whether the fund is UK or US administered, it would be rated by only one of the rating agencies. Hence, although the minimum requirement is an AAA rating, the rating need only be given by one of the agencies. Typically these funds are designed to produce an enhanced return and this requires the fund manager to take more risk (whether credit, interest rate or liquidity) than the traditional AAA Money Market Funds. The Council currently does not invest in this type of fund. It is recommended, however, that these can now be considered, after consulting and taking advice from the treasury management consultants subject to the same criteria as other investments.
 - UK Government Gilts. These are bonds issued by the UK Government representing a very low credit risk with options to sell in the secondary market.
 - UK Government Treasury Bills which are debt instruments issued by the Government's Debt Management Office through weekly auctions. The bills are issued with maturities of one, three and six months.
- b. **Non-Specified investments** - Local authorities now have specific powers to invest for periods in excess of one year. Previously such investments were not permissible,

except in respect of the Council's Pension Fund (where specific legislation exists). It is recommended that these shall consist of:

- Term deposits with credit - rated deposit takers (banks and building societies) with maturities greater than one year. As a general rule they cannot be traded or repaid prior to maturity. The risk with these is that interest rates could rise after making the investment and there is also the potential that there could be a deterioration of the credit risk over a longer period. It is recommended, therefore, that the use of this investment is limited to a maximum of five years following advice from the Council's treasury management advisers.
- Term Deposits with UK local authorities. This investment represents intra-authority loans i.e. from one local authority to another for the purpose of cash-flow management. The risk with these is that interest rates could rise after making the investment and it is therefore recommended that the use of this investment is limited to a maximum of five years following advice from the Council's treasury management advisers. This risk is common to all term deposits whether with local authorities or other counterparties.
- Certificate of Deposits (C.D.) issued by credit - rated deposit takers (banks and building societies) with maturities greater than one year. With these investments there is a market or interest risk. Yield is subject to movement during the life of the CD, which could negatively impact on the price of the CD if traded early. It is recommended, therefore, that the use of this investment is limited to a maximum of five years and sold on maturity following advice from the Council's treasury management advisers.
- Callable deposits with credit rated deposit takers (banks and building societies) with maturities greater than one year. These have the potential of higher return than using a term deposit with a similar maturity. The risk is that only the borrower has the right to pay back the deposit, the lender does not have a similar call, as although the term is fixed only the borrower has the option to repay early. There is, therefore, no guarantee that the loan will continue to its maturity. The interest rate risk is that the borrower is unlikely to pay back the deposit earlier than the maturity date if interest rates rise after the deposit is made.
- Forward deposits with credit rated banks and building societies for periods greater than one year (i.e. negotiated deal period plus period of deposit). The advantage of the investment is that there is a known rate of return over the period the monies are invested which aids forward planning. The credit risk is that if the credit rating falls or interest rate rise in the interim period the deposit period cannot be changed. It is recommended, therefore, that the use of this investment is limited to a maximum of five years following advice from the Council's treasury management advisers.
- Bonds issued by multilateral development banks (as defined by SI. 2004 No 534). These have an excellent credit quality and are relatively liquid. If they are held to maturity there is a known yield, which would be higher than that on comparable gilts.
- If traded, there could be a potential for capital gain or loss through appreciation or depreciation in value. The market or interest risk is that the yield is subject to movement during the life of the bond, which could impact on the price of the bond, i.e. if sold prior to redemption date. Given the potential for loss any investment would need to be based on the principle that they would be bought and held until maturity. It is recommended, therefore, that the use of this investment is limited to a maximum of five years following advice from the Council's treasury management advisers.
- Enhanced Money Market Funds. These funds differ from traditional AAA Money Market Funds in that they take more interest rate risk by managing portfolios with a longer weighted average maturity period. They may also take greater credit risk by holding

assets with lower credit ratings and / or have a longer weighted average life. Depending on whether the fund is UK or US administered, it would be rated by only one of the rating agencies. Hence, although the minimum requirement is an AAA rating, the rating need only be given by one of the agencies. Typically these funds are designed to produce an enhanced return and this requires the fund manager to take more risk (whether credit, interest rate or liquidity) than the traditional AAA Money Market Funds. The Council currently does not invest in this type of fund. It is recommended, however, that these can now be considered, after consulting and taking advice from the treasury management consultants subject to the same criteria as other investments.

- UK Government Gilts. These are bonds issued by the UK Government representing a very low credit risk with options to sell in the secondary market. If held to maturity there is a known yield but if traded there could be a potential for capital gain or loss through appreciation or depreciation in value. Given the potential for loss, any investment would need to be based on the principle that UK government gilts would be bought and held until maturity. It is recommended, therefore, that the use of this investment is limited to a maximum of five years following advice from the Council's treasury management advisers. If held to maturity, these bonds represent the nearest to a risk-free investment.
- Property Funds. Property funds can provide stable returns in terms of fixed period rents, whether commercial or industrial rentals. Property funds can be regulated or unregulated. An investment in share or loan capital issued by a regulated property fund is not treated as capital expenditure but an investment in an unregulated fund would count as capital expenditure. Given the nature of the property sector, a longer-term time horizon will need to be considered for this type of investment. The Council currently has invested in one property fund; the Real Lettings Property Fund Limited Partnership. It is recommended, however, that any future investments in property funds should only be considered, after consulting and taking advice from the treasury management consultants.
- Floating Rate Notes (FRNs). These are typically longer term bonds issued by banks and other financial institutions which pay interest at fixed intervals. The floating rate nature of these instruments reduces the exposure to interest rate risk as the interest rate is re-fixed at the beginning of every interest rate period. The option to redeem before maturity is available through the secondary market. It is recommended that investments in FRNs be restricted to those issued by institutions on the Council's authorised lending list, after consulting and taking advice from the treasury management consultants.
- Corporate Bonds are issued by corporate institutions for example General Electric, Vodafone etc. They offer local authorities an alternative to the usual financial institutions. For Corporate Bonds, the minimum credit rating criteria of AA- should apply to fit within the Council's investment parameters. It is recommended that the use of this type of investment can now be considered, after consulting and taking advice from the treasury management consultants.
- Covered Bonds. These are a type of secured bond that is usually backed by mortgages or public sector loans. An important feature of covered bonds is that investors have dual recourse, both to the issuer and to the underlying pool of assets. It is recommended that the use of this investment can now be considered, after consulting and taking advice from the treasury management consultants.
- Investment in equity of any company wholly owned by Croydon Council.

LONDON BOROUGH OF CROYDON

REPORT:	CABINET
DATE OF DECISION	14 February 2024
REPORT TITLE:	Review of Council Tax Care Leavers Relief Scheme
CORPORATE DIRECTOR / DIRECTOR:	Jane West Corporate Director of Resources and Section 151 Officer
LEAD OFFICER:	Allister Bannin Director of Finance and Deputy Section 151 Officer
LEAD MEMBER:	Catherine Black Head of Payments Revenues Benefits and Debt Email: Catherine.black@croydon.gov.uk Telephone 27193
KEY DECISION?	No
CONTAINS EXEMPT INFORMATION?	NO

1 SUMMARY OF REPORT

- 1.1 The Council currently supports Croydon’s young people leaving care by providing a 100% reduction in their Council Tax liability (bill) from the age of 18 to 24 inclusive.
- 1.2 This Council Tax reduction is also given to young people leaving care who are placed by other Local Authorities to live in Croydon.
- 1.3 Croydon residents who have a care leaver living with them also receive a 100% reduction in their Council Tax liability.
- 1.4 This support is known as the Council Tax “Care Leavers Relief Scheme” (CLRS), and it was introduced on 1st April 2018 see (Appendix 1).
- 1.5 This scheme remains unchanged from the date it was introduced, and this report explores options to review the scheme to ensure it remains financially viable and sustainable for the council, and our residents, whilst ensuring we maintain our corporate parenting responsibility towards our care leavers.

2 RECOMMENDATIONS

For the reasons set out in the report and its appendices, and having regard to the outcomes of the consultation referred to in paragraph 6 of this report, the Executive Mayor in Cabinet, is recommended:

- 2.1 consider the outcome from the consultation as per 6.14, 6.15 and 6.16 below and the equalities impact assessment.
- 2.2 to agree that the CLRS is updated to only support care leavers where Croydon is the Corporate Parent.
- 2.3 to agree that the CLRS is updated to include only care leavers where they are named as a liable party in line with the Council Tax hierarchy of liability, as per 4.16 below.

3 REASONS FOR RECOMMENDATIONS

- 3.1 The Council must become financially sustainable. The support provided to residents should be constantly reviewed and aligned with the Council's financial position, to ensure that the Council and the support provided to residents, is financially viable and sustainable.
- 3.2 The Council currently supports care leavers by providing 100% reduction to their Council Tax liability from the age of 18 to 24 (inclusive), and this should continue.
- 3.3 Awarding CLRS to residents who have care leavers living with them and the care leaver is not responsible (liable) to pay the Council Tax, is not direct support to the care leaver, and other Councils do not do this, see 4.20 below.
- 3.4 Nationally each Local Authority has a corporate parenting responsibility for their own care leavers. Croydon expects that where another Local Authority has corporate parenting responsibility for a care leaver, they provide the support to the care leaver, and not Croydon.

4 BACKGROUND AND DETAILS

- 4.1 In 2018 a recommendation was put forward and accepted by members that the Council agreed to amend the Council Tax discretionary reduction policy scheme. The recommendation introduced a Council Tax reduction know as CLRS offering 100% Council Tax reduction to care leavers between the ages of 18 and 24 (inclusive), who reside in Croydon, and it included: -
 - 4.1.1 Croydon Council's care leavers who are responsible to pay Council Tax in Croydon
 - 4.1.2 Residents who are responsible to pay Council Tax who have a care leaver living with them
 - 4.1.3 Care leavers who are placed by other Local Authorities to live in Croydon.
- 4.2 As part of the Local Offer for Care Leavers 2021-22 Croydon also pays the Council Tax for care leavers between the age of 18-24 (inclusive) who are placed out of the borough to live, and they are responsible to pay Council Tax. This report is not making

recommendations in relation to Croydon's care leavers who are placed out of the borough.

- 4.3** A care leaver is defined as any adult who spent time in care as a child (i.e. under the age of 18). Such care could be in foster care, residential care (mainly children's homes), or other arrangements outside the immediate or extended family. The CLRS is not applicable to young people who have been adopted following a period in care.
- 4.4** The CLRS has not been reviewed since it was introduced in 2018 and this report will review the scheme to ensure it remains financially viable and sustainable for the council, and our residents, whilst ensuring we maintain our corporate parenting responsibility towards our care leavers.
- 4.5** When the scheme was introduced in 2018, it was anticipated that it would cost around £0.193m, in revenue foregone, the actual cost was £0.220m. Each year there has been an increase in revenue foregone as shown below:

Financial Year	Cost (Revenue foregone) of CLRS £'000s
2018	220
2019	344
2020	426
2021	540
2022	561
2023 (to date)	582

- 4.6** The Council currently supports approximately 350 households in 2023/24 who have been awarded the CLRS, this support means that the Council is foregoing £0.582m in Council Tax income for this financial year and this could increase by the end of the financial year.
- 4.7** There are between 50/60 out of borough placements i.e. where the care leaver is responsible to pay Council Tax and they have been placed to live in Croydon by another Local Authority and they receive CLRS, which accounts for approximately £0.080m of income foregone of the £0.582m.
- 4.8** There are between 50/60 residents who receive CLRS because they have a care leaver living with them, albeit that the care leaver is not responsible for paying the Council Tax. This accounts for approximately £0.108m of income foregone of the £0.582m.
- 4.9** The Corporate Parenting Strategy 2023-25 (Appendix 2) sets out our legal duty as a Corporate Parent below:
"Social care, education and health services are committed to supporting children to remain within their families where possible, only using care for the right

children, at the right time. When children or young people are unable to live with their parents or guardians, it is the duty of local authorities to care for them with our partners.”

- 4.10** Corporate parenting principles are set out in the Children & Social Care Act 2017 as:
- To act in the best interests, and promote the physical and mental health and wellbeing, of those children and young people.
 - To encourage those children and young people to express their views, wishes and feelings.
 - To consider the views, wishes and feeling of those children and young people.
 - To help those children and young people gain access to, and make the best use of, services provided by the local authority and its relevant partners.
 - To promote high aspirations, and seek to secure the best outcomes, for those children and young people.
 - For those children and young people to be safe, and for stability in their home lives, relationships and education or work; and
 - To prepare those children and young people for adulthood and independent living.
- 4.11** It is noted that nationally each Local Authority is responsible for their own care leavers, however Croydon’s CLRS currently supports care leavers who are the responsibility of other Local Authorities.
- 4.12** It is Croydon’s belief that where another Local Authority has corporate parenting responsibility of a care leaver, that Local Authority is expected to, and should, provide support to their care leavers.
- 4.13** It is therefore being recommended that where another Local Authority places a care leaver to live in Croydon, it is for that Local Authority to provide support to their care leaver. We are recommending that the CLRS is changed to reflect this.
- 4.14** It should be noted that if the other Local Authority does not provide support to the care leaver they have placed in Croydon, and that care leaver is on low or no income, the care leaver could make an application to Croydon, to claim Council Tax Support.
- 4.15** This change promotes equality of the scheme nationally, each Local Authority is responsible for their own care leavers, and the list below confirms other Local Authorities who operate their schemes in this way:
- Herefordshire Council
 - Bournemouth, Christchurch, and Poole Council
 - Birmingham City Council
 - East Hampshire District Council
 - Surrey County Council
 - Waverley Borough Council
 - London Borough of Harrow
 - Redbridge Council
 - London Borough of Barking and Dagenham
 - London Borough of Brent
 - Westminster City Council

- London Borough of Southwark

4.16 The CLRS is awarded to residents who have a care leaver living with them, and it is the resident and not the care leaver who is responsible (the liable party) to pay the Council Tax.

4.17 The Council Tax hierarchy of liability is used to work out who is responsible (the liable party) to pay Council Tax. The person at the top of the list is the person, or persons who will be made liable to pay the Council Tax:

- A freehold owner/occupier living in the property
- A leasehold owner/occupier living in the property
- A tenant living in the property
- A person living in the property who is a licensee (not a tenant but has permission to stay there)
- Any person living in the property (this includes people living in the property with or without permission of the owner)
- An owner of the property, where the property is unoccupied

4.18 As can be noted from this list a care leaver would have to be the owner or a tenant of the property to become responsible (liable) to pay the Council Tax.

4.19 It is being recommended that the CLRS is amended to only support care leavers where they are the responsible party, (liable party), to pay Council Tax. And remove the support from residents who receive CLRS as a consequence of having a care leaver living with them, as this is not direct support to the care leaver.

4.20 This is not considered an unusual change, as currently we do not consider the circumstances of the resident who is receiving the CLRS, the resident may very well be able to pay their Council Tax, but for the fact they are receiving CLRS. It should also be noted that if the resident is going to struggle to pay their Council Tax i.e., they are in receipt of low or no income, they can make an application for Council Tax Support.

4.21 Similarly to the list in 4.14 Croydon would not be viewed as an outlier if we made this change to the CLRS, some other Local Authorities with a similar rule already in place are:

- Surrey Heath Council
- London Borough of Southwark
- Herefordshire Council
- Bournemouth, Christchurch, and Poole Council
- Birmingham City Council
- East Hampshire District Council
- Surrey County Council
- Waverley Borough Council
- London Borough of Harrow
- London Borough of Barking and Dagenham

4.22 The Council is reviewing foster carer allowance arrangements and will ensure that payments for carers with “Staying Put” arrangements include support for Council Tax, so that foster carers already in the scheme are not disadvantaged and to support the Council’s ambition to increase take up of these arrangements. A “Staying Put”

arrangement is when a young person who was previously in Croydon's care remains with their former foster carers/s after their eighteenth birthday, normally up to 21. Supporting young people into early adulthood through "Staying Put" is one of the priorities in the Croydon Care Experience Young People Strategy 2023-25 agreed at Cabinet in October 2023. Feedback from the consultation is clear that removing Council Tax support could dissuade foster carers from entering new "Staying Put" arrangements and disadvantage those who currently provide this continuity and support for young people into early adulthood.

- 4.23** We are not proposing to change the CLRS for care leavers whom we have Corporate Parenting Responsibility for, i.e., care leavers between the age of 18-24 (inclusive) who are responsible (liable) to pay Council Tax in Croydon, will continue to receive CLRS and have no Council Tax to pay.
- 4.24** In making any changes to the CLRS we will work closely with Children's services but specifically the care leavers personal advisers and the "Staying Put" team in relation to foster carers as per 4.22 above, and we will make available information around any changes to CLRS i.e., FAQs on our website.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Do Nothing** – The Council could choose to do nothing and continue to award 100% CLRS to care leavers, and those residents who have care leavers living with them. The impact of this is the value of income foregone each year is rising. The value of CLRS awarded between 2018 and 2023 has increased by 165% i.e., £0.220m in 2018 and £0.582m in 2023. Given the council's current financial position, this scheme as it is currently being administered, is not considered to be financially viable or sustainable. This option is not recommended.
- 5.2 Reduce the Age of the Scheme** – The council could choose to reduce the age of the scheme from 24 to 20, this is uncommon but not unheard of. This would be administratively burdensome and would require additional resource and regular manual review. Care leavers aged between 21 and 24 would no longer receive any Council Tax relief, and this cliff edge approach would put additional strain onto this already vulnerable group, it is likely that these care leavers may struggle to pay Council Tax and will make a claim for Council Tax Support. We may see an increase in Council Tax Support expenditure if we support this option. This option is not aligned with the Corporate Parenting Strategy 2023-25 and the Croydon Care Experienced Young People Strategy 2023-2025 (Appendix 3). This option is not recommended.
- 5.3 Transitionally Reduce the Age of the Scheme** – To prevent those care leavers already protected by the scheme and to reduce the up-front administrative burden as per 5.2 above the scheme could be lowered by 1 year each year until 2027, as demonstrated below:

Financial Year	Maximum entitlement age
2024	Day before 24 th Birthday
2025	Day before 23 rd Birthday
2026	Day before 22 nd Birthday
2027	Day before 21 st Birthday

Whilst this approach would reduce the number of care leavers who would be impacted by the cliff edge approach to stop support, it is likely that these care leavers would not be able to pay their Council Tax and would claim Council Tax Support instead. Again, this option is not aligned with The Corporate Parenting Strategy 2023-2025 nor the Croydon Care Experienced Young People Strategy 2023-2025. This option is not recommended.

- 5.4 Reduce the 100% level of relief from Council Tax** – The Council could consider reducing the level of support from 100% of the Council Tax due, to 75% or 50%. This approach would be a completely manual process as our current software does not support this approach. We would need additional resource to review all care leavers and manually calculate and apply the discount and we would need to constantly review the case load to ensure we administer any changes in circumstances. With this option we could have care leavers in receipt of CLRS and Council Tax Support depending on their circumstances. This option is not recommended.
- 5.5 Remove the scheme** – The Council could choose to remove the scheme entirely, however given the vulnerable nature of our care leavers, and our corporate parenting responsibility this option is not recommended.

6 CONSULTATION

- 6.1** A consultation was launched on 14th December 2023 and closed on 21st January 2024, a link to the survey is [here](#).
- 6.2** We contacted all care leavers on 15th December 2023 whom we hold contact details for, and asked them to complete the consultation, and a reminder communication was sent on 5th January 2024.
- 6.3** We have shared the consultation with colleagues in Children’s services and ask them to share the consultation with care leavers and their personal advisers.
- 6.4** The survey is also available online at the link above in 6.1.
- 6.5** There have been 25 responses to the survey, 8 of whom are care leavers, 12 are carers of a care leaver, 3 are professionals who work with care leavers and 2 others.

- 6.6** Q2 – How much do you agree or disagree that Croydon Council should continue to offer a Council Tax reduction to care leavers between the ages of 18 and 24 (inclusive) where they are the named person for Council Tax for a property?
- 21 or 87.5% strongly agreed
 - 3 or 12.5% strongly disagree
 - 1 did not respond this question
- 6.7** Q3 – Please explain your answer to the previous question including any impact you feel this may have: There are 15 responses to this question and 10 did not respond.
- *Examples of Anonymous response – “I believe all care leavers should have 100% discount council tax reduction, as it is hard to be a young person paying all bills yourself including food and gas as it is and also when your a care leaver your just starting to become independent. So this 100% discount helps so much young people from being financially stable and working hard to work for their career while learning how to be independent by themself. It has helped me loads and if I had to pay council tax with my age right now as a care leaver It would impact my mental health and probably de motivate me to work to pay for my own bills. As a care leaver we don't have family we can relay on finicially so this 100% discount really helps every care leaver out and taking it away from a. Care leaver can really expose them to vulnerability.”*
 - *“Life is extremely hard for all care leavers and the people that support them. Any financial assistance available, is invaluable and should be retained.”*
- 6.8** Q4 – How much do you agree or disagree that Croydon Council should continue to pay Council Tax for Croydon care leavers aged 18 to 24 (inclusive) who live out of the borough?
- 21 or 84% strongly agreed
 - 2 or 8% agreed
 - 1 neither agree nor disagree
 - 1 disagreed
- 6.9** Q5 – Please explain your answer to the previous question including an impact you feel this may have: There are 19 responses to this question and 6 did not respond.
- *Examples of Anonymous response – “care leavers are sometimes unable to be housed in their own borough and they are still a vulnerable young person and a care leaver which statistically reduces their live chances without additional pressure as they leave care”*
 - *“A care leaver aged 18 to 24 does not necessarily choose to be placed out of borough.”*
 - *“If care leavers have been housed outside the borough by the council then they should continue to receive the benefit from the corporate parent.”*
- 6.10** Q6 – How much do you agree or disagree with our proposal to stop the 100% Council Tax reduction for care leavers placed in Croydon by other local authorities? If these care leavers do not receive support from the borough/corporate parent they have come from, and need help paying their Council Tax they will be encouraged to apply for Council Tax Support?
- 7 or 29.2% strongly agreed

- 5 or 20.8% somewhat agreed
- 12 or 50% strongly disagree
- 1 did not respond this question

6.11 Q7 – Please explain your answer to the previous question including any impacts you feel this may have? There are 19 responses to this question, 6 did not respond.

- Example of Anonymous response – *“I suppose you can argue that other authorities should look after their own, but definitely Croydon council should support people who live in their borough.”*
- *“It is reasonable for their Boroughs to pay their council tax as Croydon pays for its care leavers in other boroughs”*
- *“These young people still remain the responsibility of the original Borough they come from and so Croydon should have in place an agreement with other boroughs what is expected if a young person is placed within the borough, and where young people can get help if needed.”*
- *“N/a it's stupid ideas”*

6.12 Q8 – How much do you agree or disagree with our proposal to stop the 100% Council Tax reduction for households where a care leaver lives but is not the named person to pay Council Tax e.g. the landlord pay the Council Tax. These households will be able to apply for Council Tax Support if they need help paying their Council Tax.

- 2 or 8.7% strongly agreed
- 3 or 13% somewhat agreed
- 1 or 4.3% neither agree nor disagree
- 17 or 73.7 strongly disagree
- 2 did not respond

6.13 Q9 – Please explain your answer to the previous question including any impacts you feel this may have? There are 18 responses to this question, 7 did not respond.

- Example of Anonymous response – *“If the care leaver isn't responsible for the council tax then no I don't believe it should be paid for”*
- Example of Anonymous response – *“As mentioned before, life is extremely hard for all care leavers and the people that support them. Any financial assistance available, is invaluable and should be retained. I'm a full time foster carer and currently have a young person living with me under the "staying Put" scheme who has severe mental health issues. (He will soon be 20 and I have cared for him since he was 8). Not having to think about paying the Council Tax, is one less thing to worry about with all the other increasing life expenses. I'm a single foster carer, but wouldn't be able to claim the "25% single person discount" if the younger person stayed. The allowance for supporting them hasn't increased for over 3 years which is another factor. From talking to his Social Services PA, there is a tremendous shortage of affordable housing and this could "tip the iceberg" and carers not feel economically able to continue helping these vulnerable young people.”*
- *“No foster carer will want to keep us in their home now.”*
- *“Even if the landlord who is not the carer is named as the council tax payer, once the discount is removed, the landlord will find a way of transferring the cost to the carer eg through rent increase.”*
- *“The 100% discount should continue as before. To reduce it would be unfair for the household where care leaver lives.”*

6.14 From the results of the survey there is strong support to continue to offer the CRLS to Croydon's care leavers with 87.5% respondents either strongly or agreed to the

continuation of the scheme, and 12.5% strongly disagreed with the continuation of the scheme.

- 6.15** 92% of respondents either strongly or agreed, that Croydon should continue to support care leavers who live out of the borough.
- 6.16** In relation to the question to stop the CRLS to care leavers who are placed in Croydon by other boroughs, the consultation respondents were split i.e. 50% strongly or agreed with this proposal, and 50% strongly disagreed. It should be noted that if the placing borough did not honour its corporate parenting responsibility, the care leaver could apply to Croydon for Council Tax Support as per 4.14 above.
- 6.17** In relation to the question to stop CRLS to households where a care leaver resides, but the care leaver is not responsible for paying Council Tax, 21.7% strongly or agreed to this proposal, 4.3% neither agreed or disagreed, and 73.9% strongly disagreed to this proposal. It should be noted that there is no consideration of the bill payer's ability to pay Council Tax when the relief is awarded, it could be that the bill payer is in a strong financial position to pay Council Tax but for the fact that relief is awarded reducing the bill to zero. If the bill payer is on a low or no income, they would be able to make an application for Council Tax Support as per 4.20 above.

7. CONTRIBUTION TO COUNCIL PRIORITIES

- 7.1** The Executive Mayor's priority 1 is that the Council balances its books, listens to residents, and delivers good sustainable services. We must get a grip on the finances and make the Council financially sustainable.

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

- 8.1.1** A recent review of all care leavers in the Council Tax system has been conducted. This review showed that 55 accounts where the CLRS has been applied were for care leavers who were placed in Croydon by another Local Authority.
- 8.1.2** The value of the 55 accounts in 2023/24 equates to £0.082m. This is revenue foregone to Croydon by Croydon, and it is the other Local Authority who has corporate parenting responsibility to support the care leaver.
- 8.1.3** A further 54 accounts were found where a care leaver is resident, but they are not the responsible (liable) party to pay Council Tax and they have no obligation to pay Council Tax.

- 8.1.4** The value of the 54 accounts equates to £0.108m. This is revenue foregone that would otherwise expect to be collected, at the Council Tax collection rate of 97.5% overall.
- 8.1.5** As Council Tax collection forms such a large part of the Councils finances, it is important to maximise the Council Tax net collectable debit, and to collect as much as possible to help pay for front line services that support our most vulnerable residents.
- 8.1.6** Comments approved by Lesley Shields, Head of Finance for Assistant Chief Executive and Resources on behalf of the Director of Finance. 12/01/24

8.2 LEGAL IMPLICATIONS

- 8.2.1** The Council approved the Care Leavers Relief Scheme (CLRS) as a policy which would inform its broad discretion under Section 13A(1)(c) of the Local Government Finance Act 1992 (the 1992 Act) to reduce a person's liability for council tax to such extent as billing authority it thinks fit. As the CLRS is not part of the Council's formal council tax reduction scheme, the requirements in Schedule 1A of the 1992 Act as regards making or amending such a scheme, do not apply. However, it is well-established that in some circumstances there may be a common law duty to consult generated by the common law duty on a public authority to act fairly, often illuminated by the doctrine of legitimate expectation, and that the demands of fairness are likely to be higher when consulting on depriving someone of an existing benefit or advantage. Given that the proposals in this report relate to the reduction of reliefs previously given, it should therefore be assumed that such a common law duty arises.
- 8.2.2** It is established that once consultation is undertaken, it has to be done fairly, that information provided must be clear to the general body of recipients, and that issues should be presented in a way that facilitates an effective response. In addition, the guiding principles ("Sedley criteria") are that consultation must be at a time when proposals are still at a formative stage, sufficient reasons must be given to permit of intelligent consideration and response, adequate time must be given for consideration and response, and the product of consultation must be conscientiously taken into account in finalising any proposals. The Council is permitted to rule out "no change" on the grounds it is not financially sustainable and is only required to include realistic alternatives in consulting.
- 8.2.3** In considering the proposals in this report, the Council is under the usual public law duties, including that it must take all relevant matters into account, must not take irrelevant matters into account, and must act reasonably in the sense that it must not act irrationally, or in a way no reasonable authority would act.
- 8.2.4** It is to be noted whilst the Council is entitled to adopt a policy which can inform the exercise of its discretion under Section 13A(1)(c) in appropriate circumstances, the Council is not entitled to apply the CLRS rigidly and must consider each case on its own merits.
- 8.2.5** There is no requirement in the 1992 Act or in the Council's Constitution which requires the proposals in this report to be approved by full Council, and approval

of these proposals is an executive function which can be discharged by the Executive Mayor in Cabinet.

8.2.6 Children Act 1989 (The 1989 Act) requires the responsible authority to continue to provide various forms of advice, assistance, and guidance to young people over the age of 18 making the transition from care to more independent living arrangements. These requirements apply if they have previously been eligible or relevant children, who are described as former relevant children (and may apply to qualifying children, depending on the local authority's assessment of their needs). These duties operate primarily until the young person reaches the age of 21. However, the duties continue beyond a young person's 21st birthday where they remain engaged in education or training and continue until the end of the agreed programme as set out in their pathway plan.

8.2.7 Section 24B(2) gives a power to local authorities to assist with the expenses associated with education and training up to the age of 21. For the most part this will be in respect of "qualifying" young people. For former relevant young people, the responsible authority will continue to: provide the young person with a Personal Advisor (section 23C(3)(a) of the 1989 Act); review and revise the pathway plan regularly (section 23C(3)(b)); and keep in touch (section 23C(2)(a) and (b)). Responsible authorities' duty to provide accommodation and maintenance for care leavers ends when they reach 18. However, they have duties to:

- provide general assistance (section 23C(4)(c));
- provide assistance with the expenses associated with employment (section 23C(4)(a));
- provide assistance with the expenses associated with education and training (section 23C(4)(b));
- provide vacation accommodation (or the funds to secure it) to care leavers in Higher Education, or in residential Further Education (section 24B(5)); and
- provide a bursary (£2,000) to care leavers going on to Higher Education (section 23C(5A)).

8.2.8 The proposed amendments to CLRS Policy, will not result in the Council falling short of its statutory responsibility towards Croydon's Care Leavers as set out above whom the Council has a Corporate Parenting Responsibility for i.e., care leavers between the age of 18-24 (inclusive) who are responsible (liable) to pay Council Tax in Croydon will continue to receive CLRS and have no Council Tax to pay.

8.2.9 Comments approved by the Head of Litigation & Corporate Law on behalf of the Director of Legal Services and Monitoring Officer, 30/01/2024.

8.3 EQUALITIES IMPLICATIONS

8.3.1 The Council has a statutory duty to comply with the provisions set out in Section 149 of the Equalities Act 2010. The Council must therefore have due regard 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.

8.3.2 The scheme has no potential for discrimination, the proposed change also has no potential for discrimination. The Council is seeking to collect Council Tax from other local authorities and from residents where they, themselves, are not care leavers

8.3.3 Comments approved by Naseer Ahmad on behalf of the Equalities Manager
08/01/2024

9. APPENDICES

- 1 The current Council Tax Reduction Scheme introduced 1st April 2018
- 2 Corporate Parenting Strategy 2023-25
- 3 Croydon Care Experienced Young People Strategy 2023-25
- 4 EQIA
- 5 Report from Consultation

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Croydon

The Council Tax Care Leavers Relief Scheme for 2018/19

Reviewed April 2018

Delivering for Croydon

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1. Synopsis

- 1.1 To amend the Council Tax Welfare provisions within the Croydon Discretionary support scheme and to use the Council's power as a billing authority to reduce to nil the amount of council tax payable by young people leaving care as permitted by section 13A of the Local Government Finance Act 1992 from 1 April 2018, this will be known as the Care Leavers Relief Scheme (CLRS).

2. Recommendations

- 2.1 To agree the amendments to the Council Tax discretionary reduction policy scheme set out in Appendix 1 which creates a class of council tax charge payer for the purposes of a reduction to their council tax known as "Care Leavers Relief Scheme (CLRS)".
- 2.2 Which allows for application of council tax hardship relief under section 13A of the Local Government Finance Act 1992
- 2.3 To agree that this class of charge payers will be awarded a local council tax relief, by virtue of an award of CLRS that will reduce their council tax bill to nil.
- 2.3 To agree that this class of reduction will be applied in accordance with the Croydon Care Leaver Relief Scheme which is contained in Appendix 2 of this report.

3 Background

- 3.1 A Care leaver is defined as any adult who spent time in care as a child (i.e. under the age of 18). Such care could be in foster care, residential care (mainly children's homes), or other arrangements outside the immediate or extended family. The young person needs to be in care on the day before their 18th birthday to qualify or have been previously in care for a period greater than 2 years. The Care Leavers Relief will not be applicable to young people who have been adopted following a period in care
- 3.2 A special guardianship order is an order appointing one or more individuals to be a child's 'special guardian'. It is a private law order made under the Children Act 1989 and is intended for those children who cannot live with their birth parents and who would benefit from a legally secure placement.
- 3.3 The Council is responding to a Children's Society campaign that has identified a range of disadvantaged care leavers uniquely experience. In particular care leavers are a vulnerable group for council tax debt. The Children's Society details the case for care leavers at least up to the age of 21 to be exempted from paying council tax.
- 3.4 However as the council has a parenting role in some circumstances that lasts until the care leaver is 24, for this reason and in order to keep the scheme administratively simpler to support and not to distinguish for the purposes of exclusion any sub-set of care leaver, we propose to apply care leavers relief to every care leaver until their 25th birthday.
- 3.5 The Council agrees with the campaign's principal sentiments that young people's transition out of care and into adulthood is extremely difficult and that managing money for the first time without support from family, leaves care leavers at real risk of falling into debt.

- 3.6 Corporate parenting is a statutory function of the Council. The underlying principle is that every local authority will seek the same outcomes for young people in care that every good parent would want for their own children.
- 3.7 Care leavers who were looked after by a local authority rather than their parents are amongst the most vulnerable groups in our community. Outcomes for this group are generally poor and, as corporate parents, the Council wants to keep them safe, make sure their experiences leaving care and moving into independent living are positive and improve their ongoing life chances.
- 3.8 The council accepts its role as a responsible corporate parent and wants to further support those young people who have left care to be able to live independently as adults. The proposed scheme will reduce to nil the amount of council tax a care leaver pays so that this council tax cannot become a problem debt for them.
- 3.9 Under section 13A of the Local Government Finance Act 1992 the council has a general discretionary power to reduce liability for council tax in relation to individual cases or class (es) of cases that it may determine where national discounts and exemptions cannot be applied.
- 3.10 This relief must be awarded by the Council in accordance with the discretionary council tax reduction powers as contained within the Local Government Finance Act 1992.
- 3.11 The Care Leaver Relief awarded by the Council will not be reimbursed by the Government but the costs will be shared with the GLA.
- 3.12 Care Leavers Relief will be available from the start of the 2018/2019 financial year.
- 3.13 The Council Tax collection team and the Leaving care team are working on processes that will make it as easy as possible for care leavers to access this relief. For young people in the borough leaving Croydon's care, the process should be seamless and invisible, with the Council Tax collection team and the Leaving care team automatically registering care leavers with Council Tax for the relief. For those living in Croydon but leaving another council's care, we shall endeavor to make the application process for the relief as simple, and automatic as possible to maximise take-up.

4 Detail leading to our recommended Care Leaver Relief scheme

- 4.1 In order to adopt the Care Leaver Relief scheme, the Council is recommended to create a class of charge payer that describes the eligibility criteria and decide in each individual case to grant Care Leaver Relief.
- 4.2. The Council is empowered to determine the eligibility criteria for this relief.
- 4.3 The most cost-efficient way of determining the value of the Care Leaver Relief is to calculate how much council tax the care leaver still has to pay after any existing statutory discounts has been taken into account.

5 Financial Implications

- 5.1 There are financial implications to awarding any discounts other than those currently available under the statutory legislation and the additional financial burden of Section 13A council tax reductions such as Care Leavers Relief has to be met through an increase in the general level

of Council Tax for other payers or from the general fund. Awards of Care Leavers Relief will be made directly to council tax account and thus reducing council tax bill to nil

- 5.2 The granting of Section 13A discounts would reduce income from Council Tax.
- 5.3 The total cost of the relief proposed cannot be determined precisely as the number of care leavers who would continue to reside in Croydon cannot be accurately determined and neither can the value of the national discounts and or exemptions they may be entitled to. Taking into consideration these uncertainties this relief is expected to cost the council in the region of £193,355.44 (based on assumptions as detailed in Appendix 3 below).
- 5.4 Applications for Croydon Discretionary Support for hardship relief under Section 13A will be made by the Croydon Discretionary Support team, to the Council tax account.

6 Equality Implications

- 6.1 The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding.
- 6.2 A child or young person may come into care as a result of temporary or permanent problems facing their parents, as a result of abuse or neglect, or as a result of a range of difficulties, including not having a parent to care for them. National research indicates that this group is significantly disadvantaged in a range of outcomes compared to their peers.
- 6.3 In accordance with our equality duty, this proposal will therefore result in more favorable treatment being applied to care leavers living in Croydon, in order to advance equality of opportunity; with the overall aim of removing financial barriers, resulting in increased opportunities for employment, education and/or training opportunities.
- 6.4 This new scheme reflects the Council's responsibilities as a corporate parent to assist financially disadvantaged care leavers during their early years of independence. The Council has considered whether its decision impacts on equality matters and concluded there are no significant equality concerns. In general the relief does not enhance or detract significantly from the offering that is already available, and so has no substantive adverse equality impacts.
- 6.5 The initial screening for a Resident Impact Assessment (RIA), including a review of the most recent statistics available about the demographics of looked after children (Appendix 3) and an EQIA was completed in December 2017, and this did not identify any negative equality impacts for any protected characteristic or any human rights or safeguarding risks. For this reason a full RIA is not considered necessary.

7 Legal Implications

- 7.1 The Council has discretion to reduce council tax under section 13A(1)(c) of the Local Government Finance Act 1992. A scheme which exempts care leavers who are living in Croydon is lawful and reasonable as it supports the Council's corporate parenting role for care leavers up to the age of 24.

8. Conclusion and Reason for Recommendations

- 8.1 By introducing the Care Leaver Relief scheme the Council is reducing the financial burden on care leavers within its area

Additions / Appendices:

Addition 1 : (CDS) Scheme, Local assistance for vulnerable people

Appendix 1 : Council tax discretionary reduction policy.

Appendix 2 : Care Leavers Relief Scheme Guidance

Appendix 3 : Children looked after at 23/11/2017 by gender, age, category of need, and ethnic origin,

Final Report Clearance

Signed by:

Title:

Date:

Croydon Discretionary Support (CDS) Scheme

Local assistance for vulnerable people

Introduction

The Welfare Reform Act 2012 provides for the reform of the Social Fund which helps people with needs that are difficult to meet from their regular income or who are facing additional expenditure due to an emergency or disaster.

From April 2013 Croydon Council will be responsible for determining a scheme to make discretionary payments to assist certain vulnerable people. The scheme replaces the support previously provided by the DWP Social Fund in the form of Crisis Loans for general living expenses and Community Care Grants to help people stay in the community.

Part 1: Principles

1.1 The principles of the CDS scheme are to provide discretionary payments:

- a) to support people in times of crisis.
- b) to support people moving out of institutional or residential care, help residents stay in their communities and help keep families together

Further detail is provided in section 4 below

Part 2. Eligibility

2.1 Payments of CDS will only be made to applicants who are

- a) in receipt of one or more of the following benefits
 - income support
 - income or contribution-based jobseeker's allowance
 - income-related or contribution-based employment and support allowance
 - pension credit
 - universal credit
 - if an applicant is due to leave an institution or care home within 6 weeks and are likely to get one of the above benefits they may be eligible.
 - if a prisoner or young offender on release on temporary licence, the person they are living with is on a qualifying benefit
 - any disability benefit
 - housing benefit
 - council tax support

and

- b) aged 16 or over

and

- c) resident in Croydon (and have lived here for 3 months prior to applying), unless exceptional circumstances apply, or
- have been placed in housing outside the borough by the London Borough of Croydon within the past 6 months, or
 - is moving into Croydon after leaving institutional or residential care, or
 - is moving into Croydon after recently leaving prison, or
 - is moving into Croydon after being recently discharged from the armed forces, or
 - is moving into Croydon and is the former spouse or dependent of a recently deceased member of the armed forces

and

- d) without sufficient resources which would cause serious hardship to their family or themselves which could affect their household's health or safety

and

- e) not excluded under paragraph 2.3

2.2 The council retains the right to make a CDS payment in exceptional circumstances to a person who is on low income (i.e. their income is below their applicable amount) but not in receipt of a qualifying benefit where that person can demonstrate

- a) why they are unable to receive such benefits

and

- b) that they meet all the other qualifying criteria

and

- c) that they are not excluded under paragraph 2.3

2.3 No payments will be made to claimants and their partners

- a) who could have applied for help to the DWP but have not done so
- who are subject to a DWP sanction, except where they need help with fuel or emergency travel costs
 - whom the council has reason to believe do not reside at the address which is stated on the claim form
 - who are classified as persons from abroad
 - who are full-time students, as defined by the council tax, housing benefit or universal credit legislation, and who are not in receipt of a DWP benefit
 - who have received a DWP Social Fund or Grant award for the same reason in the past 12 months
 - who have made a successful CDS claim in a rolling 12 month period unless exceptional circumstances apply or an award for emergency living expenses has been made and the claimant needs help to move to more suitable accommodation or to remain in their existing accommodation

- have been placed in housing in Croydon by another local authority
- b) who have applied for help with the cost of moving or setting up home but the rent for the proposed accommodation is above the maximum eligible rent for housing benefit or universal credit purposes and they have no reasonable prospect of making up the shortfall

Part 3. Claims for CDS

3.1 No CDS payment will be made unless a claim is made to the council, except where paragraph 4.22(e) or paragraph 6.8 applies.

3.2 A claim can be made over the phone, in writing, online and face to face at Bernard Weatherill House, Mint Walk, Croydon.

3.3 Claims by telephone or in person can only be made between 9am and 4pm, Monday to Friday (except where it is a public holiday). Facilities are available to claim online and these are available 24/7. A personal visit can be arranged on request

3.4 Claims for CDS must include

- the name and current address of the person making the claim, except where the claimant is homeless
- the date of birth of the person making the claim
- the national insurance number of the person making the claim
- whether they have been placed in Croydon by another authority
- what support is being requested – i.e. certain goods or the level and purpose of financial support
- details of why the claim is being made and what consequences there will be if payment is not awarded
- details of any successful CDS claim made within the last 12 months
- details of what other assistance the claimant has considered or sought before making the claim and the result

3.5 The council can require claimants to supply such information or documentary evidence within 14 days as it deems necessary in order to decide the claim, including evidence of identity and residency.

3.6 Acceptable evidence of identity is

- current passport
- current driving licence
- current bank statement showing name and current address
- 2 utility bills, dated within the last 4 months, showing name and current address
- benefit award letter showing name and current address
- letter from solicitor, social worker, probation officer or HM Revenues and Customs showing name and current address

3.7 Acceptable evidence of residency includes, but is not limited to,

- a tenancy agreement
- a utility bill
- a letter or telephone call from a registered social landlord
- evidence from the council's own records

3.8 Evidence of identity or residency may not be required where the claimant is unable to provide it as a result of a disaster, domestic violence, leaving institutional or residential care or because they have no fixed abode.

3.9 Failure to supply the information or documentary evidence within the time limit without good cause will result in the claim being refused.

3.10 Evidence and applications will be accepted from or, with the claimant's consent, may be sought from

- the claimant and/or their representative
- social workers
- youth offending officers or youth offending specialists
- probation officers
- medical professionals
- landlords
- other council departments
- other local authorities

3.11 The council may require claimants to be interviewed at their home, at the council's offices or at some other place specified by the council at a reasonable time so that their claim can be progressed.

3.12 Failure to attend an interview without good cause will result in the claim being refused.

4. CDS qualifying criteria

4.1 The principles of the CDS scheme are to provide discretionary payments

- to support people in times of crisis.
- to support people moving out of institutional or residential care, help residents stay in their communities and help keep families together
- In circumstances where the Council considers that other statutory provision for council tax reduction is insufficient

4.2 Further detail for the type of support the scheme can provide is provided below

To support people in times of crisis

4.3 CDS payments will only be paid

- for the replacement of essential items following a disaster
- to cover emergency living expenses

Replacement of items following a disaster

4.4 A disaster is an event of great or sudden misfortune, resulting in significant damage to, destruction or loss of, essential possessions or property.

4.5 A disaster can apply to an individual dwelling or to a community.

4.6 A disaster does not include any deliberate damage to or deliberate destruction of possessions or property.

Emergency living expenses

4.7 Emergency living expenses are day to day living expenses where the claimant has no other available income or resources.

4.8 The need for emergency living expenses must be because of one of the following reasons:

- the need for emergency travel expenses, i.e. the claimant is required to travel, has had no opportunity to plan that travel and has no or insufficient funds to meet the cost of travel
- loss of money where that loss is not the fault of the claimant
- capital which the claimant cannot immediately access
- fuel expenses where the claimant might otherwise lose their fuel supply or in order to reconnect the fuel supply
- board and lodge expenses for people who are homeless or fleeing domestic violence and would otherwise sleep on the street
- living expenses on leaving institutional or residential care
- living expenses for people recently discharged from prison

4.9 Where a claimant states that their money has been stolen, the claim must be supported by a crime reference number.

4.10 The amount of the emergency living expenses will be 50% of the claimant's personal allowance(s) in their applicable amount (the figure used to calculate benefit to reflect the basic living needs of the claimant and their family), calculated on a daily basis.

4.11 Emergency living expenses will be paid for a maximum of 14 days.

4.12 No more than one award for emergency living expenses can be made during a rolling 12 month period.

4.13 No award for emergency living expense will be made if welfare benefit payments are spent or exhausted.

Where other statutory provision for Council Tax Reduction is insufficient

4.14 Reduction of Council Tax under legislation section 13 A (1)c of the Local Government Finance Act 2012, gives the council discretion to reduce the amount of council tax a person is liable to pay.

4.15 Reductions under this legislation are at the discretion of Croydon Council and there is no statutory entitlement to an award.

CDS payments to support people moving out of institutional or residential care, help residents keep in their communities and help keep families together.

General

4.16 CDS payments will not be made for

- maternity expenses
- funeral expenses

- expenses which the council has a statutory duty to meet
- housing costs or improvements
- an educational or training need,
- expenses in connection with court (legal proceedings) such as legal fees, court fees, fines, costs, damages or subsistence
- removal or storage charges if you are being re-housed following a compulsory purchase order, a redevelopment or closing order or a compulsory exchange of tenancies
- domestic assistance and respite care
- any repair to council property
- a medical, surgical, optical, aural or dental item or service which can be provided free of charge by the National Health Service
- investments
- costs of purchasing, renting or installing a telephone and of any call charges
- holidays
- non essential electrical goods, including a fridge or freezer where there is no young person or disabled person in the household

People moving out of institutional or residential care

4.17 CDS payments can be made where to a person who has moved out of institutional or residential care after being resident there for six months or more and, in order to set up home, requires

- furniture, household equipment and connection charges
- suitable clothing and footwear
- removal expenses where the claimant cannot claim a Discretionary housing payment (DHP)
- fares when moving home where the claimant cannot claim a DHP
- rent in advance where the claimant cannot claim a DHP
- a rent deposit where the claimant cannot claim a DHP

4.18 Institutional and residential care includes residence in NHS hospitals, care homes, hostels, nursing homes, staff intensive sheltered housing, local authority care, foster care, prisons and youth custody, detention or treatment centres.

Helping people to stay in the community

4.19 CDS payments can made in order to help a qualifying person stay in the community or to delay them having to enter care, by

- improving their existing living arrangements, or
- enabling them to move to more suitable accommodation, or
- enabling them to move nearer to someone who can offer support

4.20 A “qualifying person” in para.4.17 is

- a frail elderly person who
 - has restricted mobility, or
 - has difficulty performing personal care tasks
- a person with physical or mental disability
- a person who is chronically sick
- a person who has misused alcohol, drugs or other substances and is seeking rehabilitation

4.21 Improving existing living arrangements includes

- structural repairs and maintenance, where home improvement and renovation grants are not available
- addition or improvement to physical or mental impairment facilities, where a disabled facilities grant is not available
- exceptional need for bedding as the claimant or a member of their family is bedridden or incontinent
- fuel reconnection charges
- laundry needs where the claimant or a member of their family is bedridden or incontinent

4.22 Moving to more suitable accommodation means moving because the existing accommodation is not suited to the claimant or members of their family due to factors such as

- steep stairs or living space on different levels
- a bathroom which can only be reached with difficulty
- inadequate toilet, bathing and washing facilities
- structural defects
- the size of the accommodation
- inability to meet current housing costs in full

4.23 Where a person has moved to more suitable accommodation or to be nearer a person who can offer support, CDS payments can be made to cover

- removal expenses, fares when moving home
- essential furniture, household equipment and connection charges

Families under exceptional pressure

4.24 CDS payments can be made to families under exceptional pressure. Exceptional pressure includes but is not limited to

- the breakdown of a relationship, particularly where there is reasonable evidence of domestic violence
- overcrowding, as defined by housing guidance and legislation
- where a member of the family has a disability that is too difficult to manage
- sudden domestic upheaval as a result of unforeseen circumstances
- sudden reduction in welfare support as a result of changes in local or government schemes, i.e. Housing Benefit and/or Council Tax Support
- rent in advance where there is no other available provision for discretionary help

4.25 Where a payment is made as the result of the breakdown in relationships, CDS payments can be made to cover

- removal expenses
- storage charges
- furniture and household equipment
- clothing and footwear
- fares when moving home

4.26 CDS payments for removal expenses and fares can be made where there is reconciliation in a relationship where, prior to the separation, the couple had been living together for 3 months or more where there are children in the household

4.27 Where a claimant is under exceptional pressure because the accommodation is particularly overcrowded, CDS payments can be made to cover

- removal expenses (except where the council has a duty to re-house the claimant)
- essential household equipment and connection charges
- fares when moving home

4.28 Where a claimant is under exceptional pressure because of high washing costs because of a disabled child or other dependent for whom they have kinship care responsibilities, CDS payments can be made to cover

- a new washing machine and any connection charges
- repairs to a washing machine
- tumble dryer or washing machine with tumble dryer where there are no suitable drying facilities

4.29 Where a claimant is under exceptional pressure because the need to repair or replace items damaged by behavioural problems within the family, CDS payments can be made to cover

- essential household items
- security items, e.g. safety gates, cupboard and window locks or reinforced glass

4.30 CDS payments can be made where a claimant is under exceptional pressure because they need to carry out structural repairs or improvements to keep a home habitable or for the safety of a child or disabled person

4.31 CDS payments can be made where a claimant is under exceptional pressure because they are responsible for a disabled child or other dependent for whom they have kinship care responsibilities and the nature of the disability causes

- excessive wear and tear on clothing or footwear, or
- rapid weight gain or loss

4.32 CDS payments can be made where a claimant is under exceptional pressure because the family includes a disabled family member or a child under five and they need to install a prepayment meter or pay a reconnection charge.

People setting up home as part of a planned resettlement programme

4.33 CDS payments can be made where a claimant needs help to set up home in the community as part of a planned resettlement programme following a period during which he has been without a settled way of life.

4.34 A person without a settled way of life means a person who has been

- using a night shelter
- staying in a hostel
- sleeping on the streets
- using an emergency winter shelter
- using a temporary supported lodging scheme

4.35 A planned resettlement programme means a programme run by a local authority, a voluntary organisation, a housing association or a registered charity.

4.36 Where a claimant is setting up home as part of a planned resettlement programme, CDS payments can be made to cover

- essential furniture and household equipment

- connection charges, if the move involves installing domestic appliances
- removal expenses and storage charges where the claimant cannot claim a DHP
- fares on moving home, where the claimant cannot claim a DHP
- rent in advance, where the claimant cannot claim a DHP

4.37 No more than one application can be made for a grant within a rolling 12 month period.

Travel expenses

4.38 CDS payments can be made to cover the reasonable travel expenses of a claimant where they are visiting a child and

- that child is in the care of an estranged partner, and
- the question regarding the child's upbringing has not yet been decided by the court.

4.39 CDS payments can be made to cover the cost of an escort's fare where the person concerned cannot travel alone because of youth, age, illness or disability.

Part 5. Decisions

5.1 All decisions will be notified in writing.

5.2 Recognising the urgent need of the claimant in the case of supporting people in times of crisis, all such claims will be decided within one day.

5.3 All other decisions will be made within 14 days from the completed application

5.4 Notifying a claimant in writing includes notifying a claimant by e-mail.

5.5 Notifying a claimant in person or by telephone does not remove the requirement to also notify the claimant in writing.

5.6 The council can decide to

- pay the claim in full
- pay the claim in part
- refuse the claim

5.7 Where the council decides to refuse a claim, the council's decision notification will state the reason for that refusal.

5.8 The council can refuse a claim if

- it has insufficient funds to make a payment, or
- it has reason to believe it will run out of funds before the end of the financial year

5.9 Where the council decides to pay a claim in full or in part, the council's decision notification will state the amount of the payment

5.10 Where the council decides to pay a CDS claim in respect of emergency living expenses, the council's decision notice will state the period covered by the payment.

- 5.11 Where the council decides to pay a CDS claim in respect of furniture, household equipment, connection charges, clothing or footwear, the council's decision notification will state the amount of the payment.
- 5.12 Where the council decides to pay a CDS claim in respect of travel or accommodation expenses, the council's decision notification will state the reason for the payment.
- 5.13 Where the council decides to pay travel expenses, the amount of the payment will be
- a) the standard rate of public transport, excluding air fares (except where air travel is the cheapest option); or
 - b) the cost of petrol either
 - up to the cost of public transport, if public transport is available, or
 - in full, if public transport is not available or the claimant and/or their partner cannot use public transport because of a physical disability or because they are frail and elderly; or
 - c) the cost of taxi fares if either
 - the claimant and/or their partner cannot use public transport because of a physical disability or because they are frail and elderly, or
 - public transport is not available and there is no access to private transport

Part 6. Payments

- 6.1 Payment will be made within 3 days of the decision being made, or as soon as reasonably practicable thereafter.
- 6.2 Payments of CDS will normally be in the form of gifts cards or vouchers, redeemable in specified shops.
- 6.3 Where a payment is in respect of additional assistance for council tax support, payment will be made by reducing the amount on the outstanding council tax bill.
- 6.4 The maximum amount of funding for any one claimant is £1,500 over a rolling 12 month period, except where
- a) the claimant is requesting help with a rent deposit, rent in advance and/or the cost of moving, or
 - b) paragraph 6.8 applies.
- 6.5 Payment above this limit and in respect of the limit on claims within a period will only be made in extreme circumstances and at the agreement of the Executive Director of Corporate Resources and Customer Services.
- 6.6 Where the council make a CDS payment, the council retains the right to ask the claimant to provide a receipt confirming that the payment was used for the purpose for which it was claimed.
- 6.7 The council retains the right to make payment by instalments.
- 6.8 The Chief Executive of Croydon Council may make an award of up to £50,000 through the CDS scheme to any charitable or not for profit organisation which is supporting vulnerable people in Croydon who, if those people applied directly for similar support, would be eligible for assistance under this scheme.

Applications need to confirm the number and demographics of such customers it is believed would be assisted, how such support meets the principles of the CDS scheme and be clear of the overall social impacts to the wider community.

By way of evidence the council will also require:

- A breakdown and understanding of expected spend.
- Detailed plans for the delivery of the project
- Confirmation of customer/residents that will be supported by this work
- Detail of expected deliverables, outcomes and improvements over what period of time, what data sources have been used to substantiate these estimates

Detailed records will be required during and after the project to confirm actual costs and the outcomes and deliverables of the project, including the customers supported and how.

Part 7. Appeals

7.1 Except where paragraph 7.2 applies, a claimant or organisation under 6.8 can appeal against a decision to refuse a claim or to pay a claim in part.

7.2 There is no right of appeal against a decision made under

- a) paragraph 2.2
- b) paragraph 2.3(i)
- c) paragraph 5.8
- d) part 6, apart from 6.8
- e) paragraph 7.5
- f) paragraph 7.10

7.3 An appeal must be made

- a) within 14 days of the written decision notification in respect of a CDS claim from a person in a time of crisis, or
- b) within 1 month of the written decision notification in respect of all other CDS claims

7.4 The council has the discretion to extend the time limits specified in paragraph 7.3 if the claimant has continuous good cause for not appealing sooner.

7.5 An appeal must

- a) be made in writing
- b) be signed by the claimant or their representative
- c) state the reasons why the claimant believes the decision is incorrect including any additional information which they believe should be taken into consideration.

7.6 Any appeal will be heard by an officer of the council of appropriate seniority who is designated as an appeals officer and was not involved in the original decision.

7.7 The designated officer will make a decision within 14 days of an appeal being received, or as soon as reasonably practicable thereafter.

7.8 The designated officer may request additional information or evidence in order to decide the appeal.

7.9 The designated officer can

- a) allow the appeal in whole
- b) allow the appeal in part
- c) refuse the appeal

7.10 There is no right of appeal against the decision of the designated officer.

Appendix 1: Council tax discretionary reduction policy

Council tax discretionary reduction policy

1. Background

1.1 Section 13A (1)(c) of the Local Government Finance Act 1992, as amended by section 10 of the Local Government Finance Act 2012, gives the council discretion to reduce the amount of council tax a person is liable to pay.

1.2 This discretion is additional to council tax reductions available from:

- Statutory discounts and exemptions or
- Croydon Council's council tax reduction scheme

1.3 Section 13 (1) states:

(1) The amount of council tax which a person is liable to pay in respect of any chargeable dwelling and any day

a) in the case of a dwelling situated in the area of a billing authority in England, is to be reduced to the extent, if any, required by the authority's council tax reduction scheme

c) in any case, may be reduced to such extent (or, if the amount has been reduced under paragraph (a), such further extent) as the billing authority for the area in which the dwelling is situated thinks fit.

1.4 This discretionary power enables the Council to reduce liability to

- Individual council tax payers
- Groups of council tax payers defined by common characteristics or circumstances
- Council tax payers within a defined geographical boundary
- All council tax payers in the borough

In circumstances where the Council considers that other statutory provision for council tax reduction is insufficient

2. Principles

2.1 In exercising discretion under this legislation the Council will adhere to the following principles

- Reductions under this legislation are at the discretion of Croydon Council and there is no statutory entitlement to an award
- The Council will consider every application on its own merits
- It will take into account all relevant considerations
- It will ensure reasonableness and consistency by establishing guidelines for decision making
- It will ensure that guidelines for decision making will not fetter its discretion and the Council will be prepared to consider and make exceptions where it is reasonable to do so
- Decisions on the amount of any reduction and the period of award will be based on the merits and circumstances of the council tax payer

3. Croydon Discretionary Scheme

- 3.1 The Council has a scheme (the Croydon Discretionary Scheme) which covers discretionary payments to assist vulnerable people with additional needs which are not covered by other statutory reduction schemes
- 3.2 The scheme includes provision for the discretionary reduction in council tax liability.
- 3.3 The guidelines for exercising discretionary powers to reduce council tax liability, including the consideration of exceptional circumstances, are included within the Croydon Discretionary Scheme Policy

Care Leavers Relief Scheme

Policy for determining applications for council tax reduction under Section 13A of the Local Government Finance Act 1992 in respect of Care Leavers Relief.

1.0 Background

- 1.1 The council recognises that young people's transition out of care and into adulthood is extremely difficult. Managing money for the first time, without support from family, leaves care leavers at real risk of falling into debt. The council has decided to support those council tax charge payers leaving its care by reducing their net liability for council tax to Croydon Council after any national discounts and or exemptions have been applied until the day before the charge payer's 25th birthday.

The young person needs to be in care on the day before their 18th birthday to qualify or have been previously in care for a period greater than 2 years. The Care Leavers Relief will not be applicable to young people who have been adopted following a period in care

- 1.2 Under Section 13A(1-3) of the Local Government Finance Act 1992 (as amended), the Council has the power to reduce liability for Council Tax in relation to individual cases or class(es) of cases that it may determine. It says:

Where a person is liable to pay council tax in respect of any chargeable dwelling and day, the billing authority for the area in which the dwelling is situated may reduce the amount which he is liable to pay as respects the dwelling and the day to such extent as it thinks fit. This allows for a further reduction where a reduction under council tax support has been applied

The power under subsection 1) above includes the power to reduce an amount to nil

The power under subsection 1) may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced to an extent provided by the determination.

There are financial implications to awarding any discounts other than those currently available under the statutory legislation and the financial burden of Section 13A discounts has to be met through an increase in the general level of Council Tax for other payers or from the general fund.

In addition to this:

The granting of Section 13A discounts would reduce income from Council Tax;

The Council Tax Support scheme exists to ensure that those on low incomes receive financial assistance with their Council Tax.

In order to provide further support for care leavers Council Members have created a new class of council tax charge payer known as 'Care Leavers' and have decided to reduce the council tax bill for Care Leavers to zero, after any other national reliefs have been applied.

Where a care leaver is residing with a foster carer, and the foster carer is liable to pay Council Tax, the foster carer will be eligible for Council Tax Care Leavers relief. An award of Care Leaver Relief will be made directly onto the foster carers Council Tax liability, reducing this to zero after any statutory discounts or exemptions have been awarded.

This policy will apply up to and including the date of the day before the care leavers 25th birthday.

Reducing Council Tax in these circumstances will hereafter be known as an award of Care Leavers Relief.

2.0 Care Leavers Relief application process

- 2.1(a) This can be accessed through the identification and nomination of a care leaver by the Council's Leaving Care teams, or the Council Tax Service.
- 2.1(b) Through the identification and nomination by any other public body or professional organisation that confirms that the care leaver was in care (being 'looked after' as a result of a statutory obligation).
- 2(c) In any other circumstance by application through Croydon Discretionary Scheme. Croydon Discretionary Scheme sets out how the council tax welfare provision can be applied and will adopt this as the prescription for awarding hardship.

The award can be made for any period from 1st April 2018 where the care leaver is liable for Council tax.

- 2 (d) Where the care leaver resides at a property and is not the liable person for payment of Council Tax the liable person for Council Tax will be awarded the Care Leavers Relief to reduce their Council Tax bill to zero, after any other national reliefs have been applied

3.0 Eligibility Criteria

The following will be assessed when making a decision:

- 3.1 Whether the care leaver has applied for any national exemptions or discounts they would be entitled to. These must be assessed before Care Leavers relief is awarded.
- 3.2 The date of the day before the care leaver's 25th birthday determines the last day of the period of the award
- 3.3 Croydon Council's Care leavers' team or other public body or professional organisation have confirmed that the care leaver was in the care (being 'looked after').
- 3.5 Whether Croydon is the council tax billing authority to whom the care leaver is liable to make council tax payments.

- 3.6 If subsequent to an award the charge payer's liability for council tax reduces during the period of the award, any Care Leavers Relief in excess of this reduced liability will be an overpayment of Care Leavers Relief. The Council may recover this overpayment by any legal means at its disposal including offsetting this amount against any future periods of Care Leavers Relief or by adding the excess amount to any further council tax liability demanded for subsequent periods.

The Council's finances will allow for the reduction to be made

4.0 Policy Review

- 4.1 This policy can be reviewed at any stage by the authorised personnel.

Appendix 3:

The Council Tax Care Leavers Relief Scheme for 2018/19

Scheme overview

In order to provide further support for care leavers a new class of council tax charge payer known as ‘Care Leavers’ has been created to reduce the council tax bill to zero, after any other discounts and exemptions

This policy will apply up to and including the date of the day before the care leavers 25th birthday for any care leavers placed in the borough by Croydon or any other Local authority.

Care leavers as at 23rd November 2017 by gender, age, category of need, and ethnic origin

Care leavers		719	
Gender	Male	524	72%
	Female	195	28%
Age	18-21	526	73%
	22 and over	193	27%
Ethnic origin	White	149	22%
	Mixed	43	1%
	Asian or Asian British	221	33%
	Black or Black British	203	29%
	Other Ethnic groups	103	15%

Resident out of borough	Resident in borough		Placed in Borough **
290	429		40 (**)
	Have CTAX liability. (109 CTR, 43 exempt)	152	Estimate: 40 Care leavers placed in borough by other LA's
	No CTAX liability	277	

	Total
Total Council Tax net liability per year (those in receipt of CTR) Average net liability = £776.88 (pa) X 109 CTR active claims =	£84,679.92
Assume 40 Care leavers placed in borough by other LA's (£776.88 X 40 = £31,075.20	£31,075.20
Estimated expenditure for the Care Leavers Relief Scheme for 2018/19 £84,679.92 + £31,075.20 = £115,755.12	£115,755.12
56 Care Leavers residing with Foster carer/parents/relative. If we grant 100% relief (after discount and exemptions) to all properties. Assume all properties are in band C the maximum cost would be £1,385.72 (band C equivalent) x 56 = £77,600.32* *This figure is inflated as we have no way of knowing what discounts/exemptions are available to these households, so we have assumed none are available and this is the maximum amount of Council Tax that would be payable.	£193,355.44

Assumptions in implementing the scheme

- Placed in Borough by Croydon: Care Leaver identified and nominated by the Council's Children's Services to the Council Tax Service. No application required.
- The young person needs to be in care on the day before their 18th birthday to qualify or have been previously in care for a period greater than 2 years.
- The Care Leavers Relief will not be applicable to young people who have been adopted following a period in care.
- Relief applied up to and including the date of the day before the care leavers 25th birthday.
- Care leavers placed by other local Croydon: Application process (On-line/ children's services)
- Relief to be awarded net Council Tax liability (Full liability less any discounts/exemptions)
- Care leaver living with partner/foster carers relief awarded to liable parties for Council Tax
- Consultation during December.
- Relief granted under Croydon discretionary award scheme: Council tax discretionary reduction policy Section 13A (1).
- Process to be operational by 1st April 2018 and prior to annual billing which will take place during the 3rd weekend in February 2018.

CORPORATE PARENTING STRATEGY

2023-2025

Forward



Debbie Jones, Corporate Director, Children, Young People and Education

I am delighted to introduce our new Whole Council and Partnership Corporate Parenting Strategy. In Croydon we have widely consulted and galvanised relationships across the Directorates in the Council and with our Partners to deliver an ambitious programme of work. Care Experienced Young People and Children Looked After have told us what they want to focus on with us and we have listened. Croydon's corporate parenting three-year strategy will be driven by our new Corporate Parenting Board and approach.

Young people will co-produce, advise and challenge us on our delivery and progress. The four priority areas provide the overarching framework to drive improvement and assess progress in delivering our great ambitions for our children looked after and care leavers. We will of course be judged by the difference we make.



Councillor Maria Gatland, Chair of the Corporate Parenting Board and Cabinet Member for Children and Young People.

We want Croydon children looked after and care experienced young people to grow up with stable, warm, and loving homes that offer the range of care that reflects the diversity of need. As corporate parents we have a special responsibility to make sure children and young people who may have had disrupted experiences of family life get the support they need to live the happiest and healthiest lives possible. As lead member for children's services and a corporate parent, I want to ensure we all have high aspirations for our children looked after and care experienced young people. To ensure we provide the best services and support we must work together across directorates in the council and with our partners to develop and improve services that meet the right needs at the right time. I welcome Croydon's corporate parenting strategy which outlines our vision, principles with a focus on improving the life chances and wellbeing of children and young people with a whole council and partnership Corporate Parenting approach.

Executive Summary

Introduction

In Croydon we have undertaken a thorough self-assessment of our approach and delivery of services to children looked after and care experienced young people. This process has paid attention to the voices of children and young people, what they have told us about what they want and need. In addition, we have heard from our colleagues, partners and government feedback and incorporated all these views into a plan of action to respond and improve.

Key messages

1. We need a whole council and partnership approach to make a real difference to the experiences and life chances of our children looked after and care experienced young people.
2. Children and young people must be listened to, respected and be a part of the solution. We are recruiting a Co-Chair to our Corporate Parenting Board and Ambassadors to advise and challenge in our improvement activity related to the four priority areas.
3. We are co-parents and co-grandparents to the children and young people we care for. We recognise that wherever it is possible we will continue to work with birth, adoptive and connected families and significant relationships to build stability and a sense of belonging that allows children and young people to flourish.
4. We must measure our impact and delivery against the corporate parenting principles outlined below.
5. Priority area, **Housing and Homes**. As corporate parents we want our children to have the best start in life and to experience a supportive and positive transition into interdependence. This includes good preparation for living independently, choice of area, quality of housing to create a new home. As co-parents we need to have a flexible approach when young people make mistakes and need support and guidance.
6. Priority area, **Education, Employment, Training**. We want to ensure children and young people can learn, develop, attend, engage, attain, and achieve at every stage of their learning journey from their earliest years to school, to further and higher education, for work experience, training, apprenticeships, employment, and further education.
7. Priority area, **Permanence, Stability**. When children cannot live with their parents, we will secure the best plan to meet their needs in their timescales. Wherever possible children and young people will experience their home and care in the borough of Croydon. When this is not possible it will be important to ensure that every effort is made to maintain and support links with family, significant others, and community.
8. Priority area, **Health and Adult Transitions**. Our children will be safeguarded and protected, they will experience improved health and wellbeing and positive

transitions into adulthood.
They will enjoy and thrive in
their communities of choice.

9. We will evaluate and update
this strategy from the learning
and experiences of delivering
on the four priority areas.

Croydon Corporate Parenting Strategy 2023-2025

Introduction

‘To be helped to succeed in education, to travel beyond Croydon and see the world, to have experiences with our friends, family and the professionals that work with us. These are important and make us happy’.

Feedback from children and young people. January 2023.

All children deserve to be cared for, respected, listened to and supported. To feel safe and loved. All children deserve opportunity and support to grow into happy and successful adults. Our Children in Care and Care Leavers are no different, but without a stable family to support them, and often having experienced trauma, they face more challenges in achieving their aspirations.

As corporate parents, it is our responsibility to be the supportive parent in times when birth, adoptive parents or carers are unable to fulfil this role, therefore we describe this as co-parenting. For those young people with their own children, we need to become co-grandparents’.

This responsibility is not only with social workers and professionals who work directly with children and young people, but it is a ‘Whole Council and Partnership Approach’, council staff, elected Members, and partners. We want everyone to read this strategy and ask themselves: **“What can I do in my role to help children and young people in and leaving care?”**

Our legal duty

Social care, education and health services are committed to supporting children to remain within their families where possible, only using care for the right children, at the right time. When children or young people are unable to live with their parents or guardians, it is the duty of local authorities to care for them with our partners. As established in the Children Act 1989. Corporate parenting principles are set out in the Children & Social Care Act 2017 as below:

- To act in the best interests, and promote the physical and mental health and wellbeing, of those children and young people.
- To encourage those children and young people to express their views, wishes and feelings.
- To consider the views, wishes and feelings of those children and young people.
- To help those children and young people gain access to, and make the best use of, services provided by the local authority and its relevant partners.
- To promote high aspirations, and seek to secure the best outcomes, for those children and young people.
- For those children and young people to be safe, and for stability in their home lives, relationships and education or work; and
- To prepare those children and young people for adulthood and independent living.

The Children Act 1989 also places a duty on the council's partners, including Health, Education and Housing services, to provide help, support, and provide services to ensure that the wider Corporate Parenting responsibilities are achieved. The Government response to the Care Review supports this approach. We need a whole system approach and effective partnerships so that we can succeed in supporting children and young people in care and leaving care, in all aspects of their lives, no matter where they live in Croydon. We must also create supportive links with our partners when our children and young people live in other Local Authorities.

We have had feedback from our partners and colleagues and external scrutiny from Ofsted and the Department of Education on areas for focussed improvement. As a council we are operating within exceptional financial constraints and need to be creative and work harder at developing our partnership arrangements to ensure that we remain efficient and build capacity to meet need. This Strategy will align with our Corporate Parenting Strategic priorities and our new Board will have oversight, drive improvements and tackle barriers to success through focussed priority groups with young Ambassadors actively supporting, advising, and challenging. The strategic developments will continue to inform and refresh our Local Offer to Care Experienced Young People.

Our Pledge

The Pledge outlined below was created by children looked after and care experienced young people leading up to 2020. This Pledge was not launched due to Covid. Together with more recent consultation and feedback that has been undertaken by the Children in Care Council and Care Experienced Young People it informs our Strategic Priorities.

Croydon's Looked After Children and Care Experienced Young Peoples Pledge. 2020

Our commitments to you as our Looked after Children:

1. Help you with your social life and to keep contact with your family where safe to do so.
2. We will help you to access positive social and educational activities.
3. We will make sure your learning continues into later life by supporting you to consider higher education.
4. We will provide you with a place to live that is safe and happy for you.
5. We will provide you with the right help to meet all your needs and to celebrate who you are.
6. We will support you in moving on from care and prepare you for living independently.
7. We will make sure we know your needs and review our plans to meet them regularly.

8. We will involve you in decisions which affect you and we will take your wishes and feelings taken into account.
9. We will ensure you have a social worker/personal advisor, to support you, and for you to be able to contact them easily.
10. We will support you to return home if it safe and right for you.
11. We will ensure you have access to high quality good education at all stages of your childhood.
12. If you request it, we will help you see the records we hold about you.
13. We will respect you as an individual with your own identity.

Our Promise

- | | |
|--|---|
| I will show that I Hear you by: | -Listening to your views
-Exploring ways to achieve what you want |
| I will show that I See you by: | -Visiting when I say I will
-Noticing how you are feeling |
| I will show that I care about you by: | -Worrying about your safety
-Remembering important events for you, such as your Birthday |

Our Strategic Priorities

The following strategic priorities reflect what we know we need to improve on over the next three years to fulfil our role as Corporate Parents, driving a 'Whole Council Approach' with our partners through the oversight of the Corporate Parenting Board. Our care experienced young people will have input as Co-Chair and Ambassadors, to influence and shape the agenda and activity so that we retain a focus on what really matters to them and their future.

Our children and care experienced young people have told us the following which has informed the Strategic Priorities:

- **They want Commitment:**
For our children looked after and care experienced young people to feel that they are seen that they are heard, and that they are cared for by their corporate parents.

- **They want Togetherness:**

For relationships between children, and their social workers, personal advisors, and foster carers, to be respected and nurtured, and for it to be understood that these relationships are as important when a young person turns 18 years old. To recognise the importance of children's family relationships and life stories.

Listen to voices of those that work closely with us:

For the voices of those that work closest with our children and young people to be heard and taken account of, and for all parts of the council to work together to deliver improvements in services to them, especially in respect of housing.

Achieving ambitions and aspirations with you.

We will achieve your ambitions and aspirations with you through:

- Strong leadership, commitment to co-parenting with your family and connected carers, driving improvements through robust performance management and a focus on what works best for you.
- We will monitor and develop our equalities improvements against our Equalities Impact Assessment.
- We will build on our engagement and involvement of children, and care experienced young people, in developing and implementing this strategy.
- We will promote an inclusive and effective partnership working across Croydon Council with support from identified elected members to each priority theme.

Key priority Areas

- **Housing**
- **Education, Employment, Training**
- **Permanence Stability**
- **Health and Adult Transitions**

Strategic Priority 1

Housing

Vision

Parents want their children to have the best start in life and to experience a supportive and positive transition into independence. This includes good preparation for living independently, choice of area, quality of housing to create a new home. Parents need to have a flexible approach when young people make mistakes, need support and guidance.

Croydon's Challenges

Croydon is operating within exceptional financial constraints. The Housing provision across the organisation requires reorganisation and a creative approach to develop a range of affordable and quality housing provision to meet the diversity of need within the borough. The offer to care experienced young people to date has not been consistently good or reflected the level of need and responsibility. As a Corporate Parent we will promote a whole council approach to ensuring that care experienced young people have the support and opportunity to live in an area with good quality affordable housing that will promote life chance, increase wellbeing and stability. We also need to acknowledge the needs of those care experienced young people who have lived outside of Croydon Borough for a significant time and choose to remain in the same area in which they have been cared for. Croydon needs to build relationships and reciprocal arrangements to ensure that these young people have the same opportunities and access to good quality support and housing provision to create a home and stability into early adulthood.

What we will do: -

- We will ensure that the Housing Service and Childrens Social Care has a joint protocol that develops a consistent approach to care experienced young people's needs, uses a common language that promotes care experienced young people's ability to engage with developing choice, suitable homes, and support.
- We will develop a range of housing options that reflects the diversity of needs and what young people tell us they need to learn, create stable homes and are able to enjoy being a Croydon resident and part of community life.
- We will provide access to officers who can provide housing, education, employment, personal financial management and benefits advice to support a co-ordinated response to facilitate stable and support to move home and retain a tenancy.
- We will provide council properties that are furnished with appliances and crucial items. We will work with partners to improve access to good quality and cost-effective home items. Provide pre and ongoing tenancy support to develop tenancy expectations, skills and good neighbour and community awareness.
- We will work with housing associations and charities to expand the development of homes for care experienced young people and build greater capacity in partnership working.
- We will promote greater preparation and support to ensure that care experienced young people have the requisite life skills to create a stable home and enjoy community life.

How will we know we have been successful?

- Care experienced young people will experience a caring and responsive Corporate Parenting approach from the Housing Department and Children's Care when in need of a stable home and support into early adulthood.
- **Measure**-young people will tell us. The outcomes from contact evidence a positive and timely outcome.
- Care Experienced young people have choice and good quality housing provision to meet their needs.
- **Measure**-Data including complaints and Quality Assurance Audits evidence improvements in choice and quality of housing provision. Children's Social Care and Housing agreed joint reporting with tangible evidence points agreed.
- Care Experienced young people have prompt, informative housing advice and support and have access to advice to maximise their employment income and any benefits claims.
- **Measure**-Data and feedback evidence improvements to young people's access to suitable housing, employment income and benefits.
- **Measure**-Care experienced young people will report greater input, focus and support to prepare for leaving care and whilst they adjust to a more independent living arrangement.
- **Measure**-Effective working practice indicators agreed with Housing and Children's Social Care to monitor joint working practice and impact for young people.

Key Partners for this strategic priority are:

- Housing Services Personnel
- Housing Benefits Personnel
- Department of Work and Pensions
- Children's Social Care Personnel
- Fostering staff, foster carers inhouse and independent Fostering providers.
- Residential providers
- Housing and Children's social care services commissioners
- Police
- Community Safety Partnership
- Community and Voluntary Sector Organisations specialising in financial advice.
- Croydon Safeguarding Children Partnership

Strategic Priority 2

Education, Training and Employment Opportunities. Actively supporting and encouraging.

- **Vision**

Parents want their children to have the best start in life and to reach their full potential. Croydon is an ambitious London Borough for all its children and young people and, like any good parent, has high aspirations for the children in our care and for our care experienced young people as they move into adulthood.

Our vision is to ensure that all aspects of our children's education from early childhood development to preparation for adulthood and independence are a top priority for all those involved in the lives of our children and young people.

We want to ensure they can learn and develop, attend, and engage, attain, and achieve at every stage of their learning journey from their earliest years to school, to further and higher education, for work experience, training, apprenticeships, employment, and further education. We want them to have access to the best opportunities in and out of our borough to ensure they have the very best chances in life.

As leaders responsible for ensuring that the local authority discharges its duty to promote the educational achievement of their children, the Chief Executive of the Council, the Lead Member for Children and Families and the Director of Children's Services will ensure that creating a culture of high educational aspirations for children in care and care experienced young people across the council and its partners is given priority.

Croydon's Challenges

Croydon has achieved good educational outcomes and high standards for many of our children in care and care experienced young people, but we acknowledge we can and should do more.

We need to continue to improve the equality of access to educational settings and especially where children and young people have need of specialist provision.

To continue to develop the support provided through our well-established Virtual School to raise attainment and to promote opportunities for children where they can achieve success through apprenticeships and alternative learning pathways.

Developing a greater range of opportunities, for unaccompanied asylum-seeking children and young people to realise their ambitions.

As Corporate Co-Grandparents we also need to ensure that young parents and their children, our grandchildren, are given every additional support and opportunity to engage with learning and employment, recognising that this will enhance the whole family's life chances in our challenging economic climate.


We also need to recognise and support the needs of those children and young people who are looked after for shorter periods of time and return to their birth families or live with connected carers.

As Corporate Parents we understand the additional provisions required by our children who have special educational needs and/ or disabilities. With the engagement of our wider council SEND strategy, we will develop a further range of specific opportunities for these children and young people to enable them to realise their potential. We recognise that we can provide more diversity and creativity to this arena through a 'Whole Council and Partnership' approach.

Our council, as in national policy, is also firmly focussed on increasing our Education, Employment and Training rates for all children in care and care experienced young people. We have specialist teams working on developing a comprehensive offer of support and engagement locally.

We will also ensure that all children in care and care experienced young people, living out of area, have equally good access and provision in their local areas through monitoring guidance and support of the Virtual school and college.

What we will do: -

- 
- We will continue to focus on improving educational outcomes and EET rates for children in care and care experienced young people. Our aim is to ensure all 16-year-olds have a suitable and appropriate education or employment/training option.
 - A Corporate Parenting, Council Wide, approach will promote mental health and wellbeing as a core foundation to support children and young people in accessing education. This will include listening and responding to the voices of children and young people in relation to what supports them to succeed and achieve.
 - We will support this ambition through developing and delivering a programme of training and awareness about the educational needs and outcomes of our cohort for all Council members, officers, and partners.
 - We will continue to drive improvements in the quality and impact of the Personal Education Plan as part of a Corporate Parenting council and partner approach. This will create a foundation to support children and care experienced young people to access high quality employment, training, and further education.
 - We will create a virtual college that builds upon the work of the virtual school and continues to aspire, track and support care experienced young people to access a range of opportunities.

How will we know we have been successful?

- All children in care continue to have a high-quality personal education plan and pathway plan that sets out how they will be supported to achieve their potential at every age and stage.
- **Measure**-children and young people will tell us what they need. The outcomes detailed in Personal Education Plan (PEP) and Pathway Plans are seen in children and young people's life successes and opportunities.
- More children in care and care experienced young people will be supported to access and sustain higher education opportunities or relevant apprenticeships, employment-based routes, including the re-establishment of in-house apprenticeships on site.
- **Measure**-Data including destination collection, PEPs, complaints and Quality Assurance Audits evidence improvements in the number and diversity of care experienced young people accessing and sustaining further education or employment
- Children and care experienced young people will have their Strengths and Difficulties questionnaire (SDQ, mental health and wellbeing assessment) assessed and incorporated into their PEP plans recognising the correlation between wellbeing and educational achievement.
- **Measure**-Data and feedback evidence improvements to young people's access to appropriate emotional and wellbeing support that supports them to enjoy and achieve in education, training, and employment.

Key Partners for this strategic priority are:

- Virtual School
- Virtual College
- Education Providers
- SEND service.
- Access to Education Service
- Social work – area teams and children Looked After Services
- Fostering, Kinship and Special Guardianship Order (SGO) Services
- Residential Services
- Education Services and Croydon Education Partnership
- 16+ Service
- Independent Reviewing Officer (IRO) Service
- Youth Justice Service
- Employers
- Colleges
- Employment, Skills & Economic Development.
- Croydon Safeguarding Children Partnership

Strategic Priority 3

Permanence, Stability.

- **Vision**

- Croydon Council and partners will work together to secure children's futures with their families wherever possible. When they cannot live with their parents, we will secure the best plan to meet their needs in their timescales. Wherever possible children and young people will experience their home and care in the borough of Croydon. When this is not possible it will be important to ensure that every effort is made to maintain and support links with family, significant others, and community. We will create stability, care, and love in the lives of the children and young people we care for. We will listen to children and young people and incorporate their views and wishes into their plans and lived experiences.

- **Croydon's Challenges**

- Croydon like many Local Authorities, particularly in London, strive to create sufficient homes for children and young people to reflect the diversity of need. We have achieved Permanence for many children and young people but need to become better at recognising when situations become fragile and risk the stability of a consistent home and caring experience for children and young people. We need to build more resilience into assessments and support for children, young people, carers, and partners.
- What we will do:
 - Listen to our looked after children and care experienced young people.
 - Review our (sufficiency) strategy to ensure that there are a range of homes and locations to meet the diversity of need for our children and young people. We will review the strategy robustly and regularly to ensure that it meets current and projected need.
 - Continue to develop and improve our inhouse and partnership arrangements to ensure that permanency and stability is an experience that all children and care experienced young people can achieve. This partnership will include the views and needs of a range of families involved in a child's life.
 - To develop training and skill development for social work, aligned professionals, council wide corporate parents and community partners, in assessing and planning where home circumstances and care is fragile. Seeking and proposing positive

solutions, incorporating children, young people, family, and carers wishes and feelings into plans and interventions.

- Develop a range of support offers (people, programmes, approach) to deploy to increasing stability where circumstances are fragile. Creating equality of opportunity for all children and young people to experience a stable home and care.

How will we know we have been successful?

- Children and young people will live in stable and well supported homes.
- **Measure**-children and young people will tell us what they need. We will agree with children how they will know we have listened to their needs. The outcomes detailed in care and pathway plans will have demonstrable impact upon children and young people's stability, life chances and ambitions. Matching data and auditing information for longer term care arrangements will be developed and monitored.
- More children looked after and care experienced young people will be supported to live in or close to Croydon.
- **Measure**-Data and Quality Assurance Audits evidence improvements in the range of placement choice, matching decisions, incorporating children and young people's views and wishes, when considering what homes, care and support will realise the best opportunity for a stable and loving home.
- We will ensure that our workforce and partners are equipped to identify and support care arrangements to be robust, stable and caring. We will further develop our practice and resources to create more stability of home and care.
- **Measure**-Data and Quality Assurance Audits evidence improvements to creating stability for children and care experienced young people.

Key Partners for this strategic priority are:

- Health Services
- Police
- Community Safety Partners.
- Children's Commissioning Service
- Adults and Health Commissioning Service
- Social work teams.
- Placements Team
- Foster Carers and Fostering Service
- Children's Residential Services
- Housing
- Independent Placement Providers
- Independent Reviewing Officers.
- Community partners
- Croydon Safeguarding Children Partnership

Strategic Priority 4

Health and Adult Transitions.

- **Vision**

Our children want us to value them, care for them and promote healthy relationships with their families and significant people in their life. They want us to ensure that their life stories are developed, understood, and promote their identity development which will underpin their mental and emotional wellbeing.

Our children will be safeguarded and protected, they will experience improved health and wellbeing and positive transitions into adulthood. They will enjoy and thrive in their communities of choice.

- **Croydon's Challenges**

- Many of our children and young people who are in care or are care experienced, have had a difficult start in life. Life expectancy and the likelihood of developing physical and mental health problems are strongly linked to their experiences of neglect, abuse, and trauma. Families' experiences of access to services and support impact upon their ability to care for their children which can amplify the risks of health inequalities. Children and young people who are care experienced are more likely to develop problems with their physical and mental health and suffer health inequalities if they have faced one or more of the following, with risk increasing with each additional factor experienced: the child, young person needs to be looked after in the care system; they are new to the country and asylum seekers; they have experienced trauma; they are excluded from school; they have special education needs; they live in poverty; or they have experienced the youth justice system.

The effect of poor physical and mental health and health inequalities impacts throughout people's lives. Transitions into adulthood can be impacted upon by these vulnerabilities. It is strongly linked to the ability to achieve and attain within education, and employment and the ability to create and sustain a home and family life.

- What we will do:
- We will listen to our children and act upon their feedback.
- We will use our practice framework, to promote emotional healing and to support our children and young people to be able to cope with the pressure's life brings. We will support children in care and care leavers to improve their health and wellbeing and will provide services and a high standard of support to meet their needs including their physical, mental and sexual health. We will create a health pathway for our care experienced young people that reflects what they will need as they transition into adulthood. We will know these areas are being achieved when all our children and young people have access to the health services they need.

- We will create a robust Adult Transitions Pathway that is clear to all and is built upon a proactive partnership between Children and Adult Services. Delivering a smooth transition for those children and young people who need specific support and consideration of their ongoing special needs into adulthood. The planning for this transition will be actively considered in the care plan and pathway plan leading up to and beyond their 18th birthday to ensure transitional rigour in navigating positive options for a stable home and community life.
- We will continue to monitor outcomes that we know are effective and improve delivery: - immunisations status and the percentage of completed strengths and difficulties questionnaire (SDQ's) which are an indicator in measuring mental health and wellbeing. The use of SDQ's and health information to inform plans and practice, GP Registrations, timeliness of dental reviews and timeliness and quality of Health assessments.

How will we know we have been successful?

- For children and young people in care to be supported to have improving emotional and mental health and wellbeing. To be assured that the SDQ is informing care, education planning and support for our children and young people as per guidance.
- **Measure**-children and young people's views will be incorporated. To have a high level of SDQ completion. We will report on SDQ year on year scores to examine trends and sample a range of children and young people to inform this reporting.
- Initial Health Assessments are continued to be prioritised and evidence of impact upon health planning and impact is available.
- **Measure**-Data and Quality Assurance Audits monitor the timeliness and impact of initial and subsequent health assessments.
- Care experienced young people have access to responsive and needs led health services which include physical, mental and emotional health, sexual health and perinatal and postnatal health support.
- **Measure**-Data and Quality Assurance Audits evidence increased access and positive impact of health services for care experienced young people.
- To have clear pathways of support available for looked after young people moving to adult services. Themes include mental health, transitional safeguarding and transitions for those young people who do not have a diagnosis and yet will continue to need support from social care (including addictions)
- **Measure**-Data is developed to monitor current and future needs. Young people aged 14-25 who are leaving care have access to mental health, drug and addiction services when needed. Young people between 14-25 years diagnosed with Autism, ADHD, learning or/and physical disability or specific vulnerabilities are identified and have a clear plan of support that addresses transitional care needs in a timely manner.

Key Partners for this strategic priority are:

- Designated Doctor
- Designated Nurse
- Children's Commissioning Lead
- Adult Health Commissioning Lead
- Adult and Children Safeguarding Lead
- CLA Health Team

- Community partners
- Police
- Community safety partners
- Family Justice Service
- Croydon Safeguarding Children Partnership

Governance Arrangements

Board members supporting Strategic Priority Themes

Within our Corporate Parenting Strategy, we have set out four priority themes informed by our self and external assessment, children and young people's views and wishes. The Board will arrange four respective subgroups that relate to the priority strategic areas. An elected council member will work closely with an ambassador supported from the participation service and a relevant officer and partners to drive the oversight and challenge to evidence progress and improvement in each area. The lead member will promote the priority within relevant forums, committees, decision making forums and wider council and community events as relevant. The elected member priority lead will receive updates from the operational lead as agreed and prior to reports being presented to the corporate parenting board.

Officers

Officers have a crucial role to play in ensuring that services are developed and delivered to a high standard and that they inform elected members of the progress of the plan and any challenges that are being faced. They need to know about the children who are in our care and always strive to deliver the highest quality service. They are responsible for advising the Board and ensuring that any agreed actions are implemented as agreed:

- Reporting to the Corporate Parenting Board on performance relating to children in care and care leavers. Highlight reports of overarching progress for children looked after and care experienced each year as directed by the chair and co-chair. Subgroup reporting will be presented at each update from the respective group.
- Ensuring that the Corporate Parenting Board has all relevant information to ensure that they can provide robust monitoring of services provided to children in care and care experienced young people and make decisions based on the most up to date information.

This strategy is to be read in conjunction with Croydon's Care Experienced Young Peoples Strategy.

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*Croydon Care Experienced
Young People Strategy.
23-25.*



Forward



Debbie Jones, Corporate Director, Children, Young People and Education

I am delighted to introduce our Croydon Council Care Leaver Strategy which aligns with our new Whole Council and Partnership Corporate Parenting Strategy. In Croydon, we have widely consulted and galvanised relationships across the Directorates in the Council and with our Partners to deliver an ambitious and focussed programme of work. Our Care Leavers have told us what they need us to improve, and we have responded with a renewed approach to working together through our new Corporate Parenting Board, including young people as Co-Chair and Ambassadors to co-produce, challenge and create a Local Offer which meets the diversity of need. We will ensure all our Care Leavers receive the best support and care to access the resources they need and to develop the resilience to manage a successful transition into adulthood.



Councillor Maria Gatland, Chair of the Corporate Parenting Board and Cabinet Member for Children and Young People.

As lead member for children and young people and a corporate parent, I am proud that Croydon is developing a whole council and partnership approach, informed, and co-produced with our Care Leavers. We are ambitious for our young people and are committed to listening to what they need from us to develop and achieve stability, happiness, and enjoyment in their transition to adulthood. We recognise that young people mature at different rates and particularly for our Care Leavers this is more important to recognise given the impact of their early experiences. We will design services and pathways to include a flexible and supportive approach. Colleagues across the council and partners are excited and committed to bringing the combined skills, resources, and capacity to improving the lived experience and life choices of our young people.

Introduction

Welcome to the Croydon Council Care Leaver Strategy. This strategy relates to Care Experienced Young People, preparing to leave care, 16-18 years who have left care and continue to be entitled to access services up to the age of 25 years. This strategy aligns with the Croydon Corporate Parenting Strategy with an emphasis on a whole Council and Partnership Approach to supporting and enabling young people to manage a successful transition into interdependence. As Co-corporate parents, it is our responsibility to be the supportive parent in times when birth, adoptive parents or carers are unable to fulfil this role. For those young people with their own children, we need to become 'Co-corporate grandparents'. We are committed to helping our young people to realise their goals and potential. We will develop opportunities within the Croydon area and reach out to other councils in the UK where our young people may choose to reside and ensure that they are able to access stable quality homes, education, employment and training and good access to mental and physical health services.

This Strategy outlines our challenges as a Council, what young people tell us they need and what we are going to do to address the need through co-production with our young Ambassadors, colleagues, and partners. We recognise that this is a three-year strategy and will ensure that through joint endeavour and ambition we will evaluate the impact of the improvements required and delivered to inform the learning into each year. Changes in legislation and local/out of borough needs will be assessed and incorporated into a refreshed version of the strategy as required.

Overview of Strategy

This Care Experienced Young People Strategy is informed by our own self-assessment, feedback from children and young people about the services and approach they want to support their needs and to realise their ambitions: -

- **They want Commitment:**
For our children looked after and care experienced young people to feel that they are seen that they are heard, and that they are cared for by their corporate parents.
- **They want Togetherness:**
For relationships between children, and their social workers, Personal Advisors and foster carers, to be respected and nurtured, and for it to be understood that these relationships are as important when a young person turns 18 years old. To recognise the importance of children's family relationships and life stories.

Listen to voices of those that work closely with us:

For the voices of those that work closest with our children and young people to be heard and taken account of, and for all parts of the council to work together to deliver improvements in services to them, especially in respect of housing.

We have had feedback from our partners and colleagues and external scrutiny from Ofsted and the Department of Education on areas for focussed improvement. As a council we are operating within exceptional financial constraints and need to be creative and work harder at developing our partnership arrangements to ensure that we remain efficient and build capacity to meet need. This Strategy will align with our Corporate Parenting Strategic priorities and our new Board will have oversight, drive improvements and tackle barriers to success through focussed priority groups with young Ambassadors actively supporting, advising, and challenging. The strategic developments will continue to inform and refresh our Local Offer to Care Experienced Young People.

Co-Corporate Parents and Grandparents.

In Croydon we are clear that our Care Experienced Young People require our understanding and support in preparing them for leaving care, support during the transition and to be there for them to celebrate the successes and to help when things don't always go right. We expect of ourselves as a whole council with our partners what we expect from good parents.

We understand that being ready to leave home is a process not driven by age but based on each young person's level of emotional and mental maturity and wellbeing as well as specific needs such as a learning or physical disability. Transitions are not always sequential, and we need to work with young people to allow for changes in their pathway plan to reflect the contingency plans which are needed at different times. Young people who have had a care experience may not always be able to access support from their families which is why our Corporate Parenting Strategy emphasises the need for us to co-parent into adulthood as required by a young person. Respecting their choices, supporting them to achieve stability and happiness, fulfilling education, training and work experiences and enjoyment in being part of a diverse and supportive community. Becoming active residents and contributing to their neighbourhoods and environments.

In Croydon we are committed to creating the right conditions, services, and approach to achieving support that is meaningful and has a positive impact for all of our Care Experienced Young People. We aim to achieve this through our Corporate Parenting Strategy, driving ambitions and aspirations collaboratively with young people.

We will achieve this through: -

- Strong leadership, commitment to co-parenting with your family and connected carers, driving improvements through robust performance management and a focus on what works best for you.
- We will monitor and develop our equalities improvements against our Equalities Impact Assessment.
- We will build on our engagement and involvement of children, and care experienced young people, in developing and implementing this strategy.
- We will promote an inclusive and effective partnership working across Croydon Council with support from identified elected members to each priority theme.

Our priority focus areas for the next three years based on the assessment need, including feedback from young people are as follows: -

- Creating **diverse and quality homes** for Care Experienced young people. Providing a range of support to develop life skills, promote wellbeing and support the integration of young people into communities. Driving a sense of belonging and stability for young people
- Developing a range of **educational, training and employment opportunities** that young people tell us they want. Design programmes to try out different workplace

environments and become more prepared and informed in education and training choices.

- Provide **stability and permanence** through the preparation and ongoing support provided. Promoting relationships and connections with communities and through education, training, and work experiences. Creating a sense of belonging that provides support to celebrate the good times and help through the difficult periods.
- Developing **our health offer** to Care Experienced Young People, to promote good physical, emotional and mental health through the transition into adulthood and developing skills in advocating for universal services. Creating a robust **Adult Transitions pathway** that reflects the needs of Care Experienced Young People and creates choice and a range of support to help them live the life they desire.

Who are Care Leavers?

A Care Leaver is someone who has been cared for by the Local Authority in a range of different homes.

The following young people, who are statutorily entitled to support, are part of this group:

- **Eligible** – children aged 16-17 who are still in care, and who have been in care for 13 weeks or more from the age of 14 and have been in care at some point when they were between the ages of 16 and 17.
- **Relevant** – children aged between 16 and 17 who have left care. This category of Care Leaver also includes children who are detained in institutions such as prisons or hospitals. • **Former Relevant** – young people who are between the ages of 18 and 21 and who were previously eligible and/or relevant, and who are entitled to ongoing support to enable their successful transition to independence.
- **Qualifying** – A young person who has been a CLA for at least 24 hours, post his/her 16th birthday. Young people covered by the fact that they were being privately fostered or subject to a special guardianship order. A young person who has had several planned short term breaks no longer than 4 weeks, and after each one they returned to their parents/or someone with parental responsibility. This will particularly apply to disabled young people who have regular periods of short-term breaks. Under the 2010 regulations this group is deemed to be qualifying
- Young people between the ages of 21 and 25 and who were previously eligible and/or relevant, who are in education training or employment and who wish to receive an ongoing service.
- Young people aged 21-25 who are current or returning care leavers requesting a service under the Children & Social Work Act 2017 guidelines.

Practice Framework

Our practice framework is Systemic practice, under which different relationship-based approaches sit, strengthening, restorative and motivational. We train and support our practitioners and managers to practice within this framework. We believe that this evidence-based approach enables practitioners to understand that young people and families are in contextual relationships that shape their identity. We employ clinical staff to provide support and consultation to staff and carers to help them to develop their understanding of young people's needs, their position and how to best help them particularly during the transitional period of leaving care.

How we deliver support and services to Care Experienced Young People.

Personal Advisers

All care leavers are assigned a Personal Adviser when they turn 17.5 years old and can continue to receive support up until they are 25 years old. The Personal Advisor reviews the needs of the young person with them and creates a pathway plan (PWP) to identify the key goals that they wish to focus on and how they will get there. The plan specifies who is involved to support the young person and how they wish that support or services to be delivered.

Voice of Care Experienced Young People

Care leavers themselves are involved in co-producing the Care Leavers' Offer primarily through the Children in Care Council. We are developing the participation approach to engage a greater range of voices and needs to inform service improvement for all young people. This will be further promoted by the development of our ambassador model to influence and promote change throughout the council and with partners.

Voice of Care Experienced Young People

In Croydon we have extended the Independent Reviewing Officer, (IRO) role to incorporate the first year of leaving care from 18-19 years for those young people who wish to have continued support and oversight from their IRO.

Independent Visitors.

This scheme matches a supporting adult to befriend, advise and assist a young person who may have little or no positive contact with members of their own family.

Children in Care Council and Care Leavers Forum

Is part of an overall participation strategy to engage and incorporate the diverse voices and views of children in care and care experienced young people. Involvement in the Corporate Parenting Board oversight and developments and a range of activities to co-produce and drive improvement initiatives are undertaken alongside creating a space for shared understanding, belonging, and making friends. A range of events and workshops are delivered every week and attendance supported at national events.

Esther Outreach

Is and Aftercare Service, providing a listening ear, advice, and advocacy to Care Experienced Young People. Esther Outreach is a voluntarily run department of a local Croydon Church that provides practical support, advice, and advocacy to 'Children Looked After and Care Leavers' working in conjunction with Croydon Council within a friendly, safe environment where they are equipped with the right tools to develop their independence skills.

Staying Put Policy

Our Staying Put Policy promotes young people to be able to remain living with their foster family. Where both the young person and carer would like the arrangement to continue. There is a good take up of this offer in Croydon and we have a detailed process to support both the young person and carer.

Joint Housing and Children's Social Care Protocol, 2023.

The Joint Housing and Children's Social Care Protocol outlines how Croydon Council and partners will view Care Experienced Young People, (CEYP), as in priority need for housing and homes whilst joint working arrangements will promote new ways to support young people who struggle to sustain their homes and tenancies. A new robust Housing Panel is being established to review the needs of all legacy situations where CEYP are in temporary homes and not able to apply for full benefit entitlements or move to more stable arrangements. A new housing quota will support transitions into homes that are equipped with key items and support for the young person will be specified.

The House Project 2023.

The House Project Programme brings young people together and provides a range of opportunities and experiences to build relationships and have mates, prepare for and manage their first home and have a pathway in to education, employment or training. The programme is what young people 'do' after they have successfully secured their place on their Local House Project and is underpinned by the [ORCHIDS framework](#). We are working with the House Project to establish our first cohort of young people to engage with this project in Croydon.

Virtual School and College

We will continue to focus on improving educational outcomes and EET rates for Children in care and care experienced young people. Our aim is to ensure all 16-year-olds have a suitable and appropriate education or employment/training option.

A Corporate Parenting, Council Wide, approach will promote mental health and wellbeing as a core foundation to support children and young people in accessing education. This will include listening and responding to the voices of children and young people in relation to what supports them to succeed and achieve.

We are creating a virtual college that builds upon the work of the virtual school and continues to aspire, track and support care experienced young people to access a range of opportunities including work experience and apprenticeship programmes tailored to the needs of Care Experienced Young People.

Housing, benefits, and support team.

Whilst we improve our housing offer, we are developing a co-located housing, benefits, and support team with our 16+ Service. The team will review all legacy 'temporarily housed' Care Experienced Young People to find new stable homes. The team will work closely with the new joint Housing and Childrens Social Care Panel to ensure that young people are supported to identify suitable accommodation and offer support to access benefits and support.

Health Service.

We are providing additional health services to our Care Experienced Young People in conjunction with our health colleagues. This will consist of two specialist nurses to support and provide interventions to Care Experienced young people to reduce the impact on long term, physical and mental health, particularly in addressing the impacts of trauma and psychological harm.

Pledge to Care Leavers

Croydon's Looked After Children and Care Experienced Young Person Pledge. 2020

Our commitments to you as our Looked after Children:

1. Help you with your social life and to keep contact with your family where safe to do so.
2. We will help you to access positive social and educational activities.
3. We will make sure your learning continues into later life by supporting you to consider higher education.
4. We will provide you with a place to live that is safe and happy for you.
5. We will provide you with the right help to meet all your needs and to celebrate who you are.
6. We will support you in moving on from care and prepare you for living independently.
7. We will make sure we know your needs and review our plans to meet them regularly.
8. We will involve you in decisions which affect you and we will take your wishes and feelings taken into account.
9. We will ensure you have a social worker/personal advisor, to support you, and for you to be able to contact them easily.
10. We will support you to return home if it safe and right for you.
11. We will ensure you have access to high quality good education at all stages of your childhood.
12. If you request it, we will help you see the records we hold about you.
13. We will respect you as an individual with your own identity.

Local Offer for Care Leavers.

The Local Offer to Care Experienced Young People in Croydon covers: -

- Details of Housing and Homes available.
- A full guide to available financial support and guidance on managing money.
- Education, training and employment opportunities with links to schemes, programmes and jobs
- Health and wellbeing including a comprehensive guide on the Health Service for Care

Leavers, physical health, mental health, sexual health, young parents, smoking, drugs and alcohol and staying safe services. Access to your health passport.

- Relationships with immediate and extended family, building positive relationships, And developing a good support network.
- Participating and contributing in the wider community through volunteering, membership of groups and opportunities to influence and make services better.
- Specific support available to Unaccompanied Asylum-Seeking Children (UASC)
- How young people can have their say on their experience of our services available to them.

The Local Offer to Care Leavers is in the process of being updated and can be found at: <https://www.croydon.gov.uk/sites/default/files/2021-01/Local-Offer-Care-Leavers-Jan21.pdf>

Focus for this strategy 23-25

The Croydon Care leaver strategy is closely aligned to the Croydon Corporate Parenting Strategy. The priority areas for us to deliver improvements on during this period are: - Housing and Homes, Education, Employment and Training, Permanence and Stability, Health, and Adult Transitions. We as a Council, with our partners have a programme of work to drive these improvements over the next three years, underpinned and informed by our commitment to equalities and monitoring of the equity of impact. For further information please check the public documents section of the website for updates on progress.

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Equality Analysis Form

1. Introduction

1.1 Purpose of Equality Analysis

The council has an important role in creating a fair society through the services we provide, the people we employ and the money we spend. Equality is integral to everything the council does. We are committed to making Croydon a stronger, fairer borough where no community or individual is held back.

Undertaking an Equality Analysis helps to determine whether a proposed change will have a positive, negative, or no impact on groups that share a protected characteristic. Conclusions drawn from Equality Analyses helps us to better understand the needs of all our communities, enable us to target services and budgets more effectively and also helps us to comply with the Equality Act 2010.

An equality analysis must be completed as early as possible during the planning stages of any proposed change to ensure information gained from the process is incorporated in any decisions made.

In practice, the term '**proposed change**' broadly covers the following:-

- Policies, strategies and plans;
- Projects and programmes;
- Commissioning (including re-commissioning and de-commissioning);
- Service review;
- Budget allocation/analysis;
- Staff restructures (including outsourcing);
- Business transformation programmes;
- Organisational change programmes;
- Processes (for example thresholds, eligibility, entitlements, and access criteria).

2. Proposed change

Directorate	Resources
Title of proposed change	Section 13A – Care Leavers Scheme
Name of Officer carrying out Equality Analysis	

2.1 Purpose of proposed change (see 1.1 above for examples of proposed changes)

Briefly summarise the proposed change and why it is being considered/anticipated outcomes. What is meant to achieve and how is it seeking to achieve this? Please also state if it is an amendment to an existing arrangement or a new proposal.

This change is an amendment to an existing scheme. The council reduces council tax for care leavers and their households, the proposal suggests two changes. The first is to remove the discount where the care leaver is placed by another local authority, not Croydon. For example, if Surrey County Council places a care leaver in Croydon, then Croydon reduces the council tax. However, if Croydon places a care leaver in Surrey County, then Croydon must pay Surrey the council tax due, Surrey does not forego that revenue. This first change seeks to balance that scale.

The second change aims to only award the reduction in council tax where the care leaver is the liable party. Many other local authorities operate their schemes in this way, and by changing the scheme the council could be foregoing less revenue.

3. Impact of the proposed change

Important Note: It is necessary to determine how each of the protected groups could be impacted by the proposed change. Who benefits and how (and who, therefore doesn't and why?) Summarise any positive impacts or benefits, any negative impacts and any neutral impacts and the evidence you have taken into account to reach this conclusion. Be aware that there may be positive, negative and neutral impacts within each characteristic.

Where an impact is unknown, state so. If there is insufficient information or evidence to reach a decision you will need to gather appropriate quantitative and qualitative information from a range of sources e.g. Croydon Observatory a useful source of information such as Borough Strategies and Plans, Borough and Ward Profiles, Joint Strategic Health Needs Assessments <http://www.croydonobservatory.org/> Other sources include performance monitoring reports, complaints, survey data, audit reports, inspection reports, national research and feedback gained through engagement with service users, voluntary and community organisations and contractors.

3.1 Deciding whether the potential impact is positive or negative

Table 1 – Positive/Negative impact

For each protected characteristic group show whether the impact of the proposed change on service users and/or staff is positive or negative by briefly outlining the nature of the impact in the appropriate column. If it is decided that analysis is not relevant to some groups, this should be recorded and explained. In all circumstances you should list the source of the evidence used to make this judgement where possible.

Protected characteristic group(s)	Positive impact	Negative impact	Source of evidence																						
Age	Care leavers between the age of 18 and 24 liable to pay Council Tax in Croydon, and for whom Croydon Council is the corporate parent, will continue to receive the Council Tax Care Leaver Relief scheme.	<p>Care leavers between the age of 18 and 24, liable to pay Council Tax in Croydon, for whom Croydon Council is not the corporate parent, will no longer receive Council Tax Care Leaver Relief scheme.</p> <p>We believe that there is between 50/60 care leavers for whom Croydon are not the corporate parent.</p>	<table border="1" data-bbox="1010 954 1767 1070"> <tr> <td></td> <td>16</td> <td>17</td> <td>18</td> <td>19</td> <td>20</td> <td>21</td> <td>22</td> <td>23</td> <td>24</td> <td>Total</td> </tr> <tr> <td>Total</td> <td>5</td> <td>7</td> <td>111</td> <td>152</td> <td>172</td> <td>133</td> <td>129</td> <td>72</td> <td>30</td> <td>811</td> </tr> </table> <p>Impacted care leavers are between 18 and 24, from the above it is noted that the distribution of age leaves no outliers other than the drop off in age when the care leaver reaches the age of 25.</p>		16	17	18	19	20	21	22	23	24	Total	Total	5	7	111	152	172	133	129	72	30	811
	16	17	18	19	20	21	22	23	24	Total															
Total	5	7	111	152	172	133	129	72	30	811															

<p>Disability</p>	<p>Care leavers between the age of 18 and 24 liable to pay Council Tax in Croydon, and for whom Croydon Council is the corporate parent, will continue to receive the Council Tax Care Leaver Relief scheme.</p>	<p>Care leavers between the age of 18 and 24, liable to pay Council Tax in Croydon, for whom Croydon Council is not the corporate parent, will no longer receive Council Tax Care Leaver Relief scheme.</p> <p>We have 56 care leavers who are disabled.</p>	<table border="1" data-bbox="1010 105 1944 357"> <thead> <tr> <th></th> <th>16</th> <th>17</th> <th>18</th> <th>19</th> <th>20</th> <th>21</th> <th>22</th> <th>23</th> <th>24</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Disabled</td> <td></td> <td>1</td> <td>9</td> <td>13</td> <td>9</td> <td>8</td> <td>8</td> <td>7</td> <td>1</td> <td>56</td> </tr> <tr> <td>Not Disabled</td> <td>5</td> <td>6</td> <td>102</td> <td>139</td> <td>163</td> <td>125</td> <td>121</td> <td>65</td> <td>29</td> <td>755</td> </tr> <tr> <td>Total</td> <td>5</td> <td>7</td> <td>111</td> <td>152</td> <td>172</td> <td>133</td> <td>129</td> <td>72</td> <td>30</td> <td>811</td> </tr> </tbody> </table> <p>The majority of care leavers are not disabled and proposed changes to the scheme make no reference to any disabled qualifying criteria.</p>		16	17	18	19	20	21	22	23	24	Total	Disabled		1	9	13	9	8	8	7	1	56	Not Disabled	5	6	102	139	163	125	121	65	29	755	Total	5	7	111	152	172	133	129	72	30	811
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<p>Sex</p>	<p>Care leavers between the age of 18 and 24 liable to pay Council Tax in Croydon, and for whom Croydon Council is the corporate parent, will continue to receive the Council Tax Care Leaver Relief scheme.</p>	<p>Care leavers between the age of 18 and 24, liable to pay Council Tax in Croydon, for whom Croydon Council is not the corporate parent, will no longer receive Council Tax Care Leaver Relief scheme.</p> <p>As we have more male than female care leavers, more male than female care leavers may be impacted.</p>	<table border="1" data-bbox="1010 612 1886 836"> <thead> <tr> <th></th> <th>16</th> <th>17</th> <th>18</th> <th>19</th> <th>20</th> <th>21</th> <th>22</th> <th>23</th> <th>24</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Female</td> <td>1</td> <td>2</td> <td>33</td> <td>50</td> <td>40</td> <td>39</td> <td>31</td> <td>21</td> <td>12</td> <td>229</td> </tr> <tr> <td>Male</td> <td>4</td> <td>5</td> <td>78</td> <td>102</td> <td>132</td> <td>94</td> <td>98</td> <td>51</td> <td>18</td> <td>582</td> </tr> <tr> <td>Total</td> <td>5</td> <td>7</td> <td>111</td> <td>152</td> <td>172</td> <td>133</td> <td>129</td> <td>72</td> <td>30</td> <td>811</td> </tr> </tbody> </table> <p>There are more male care leavers and therefore the scheme, as a default, is applied to more males however the changes proposed to the scheme have no bearing on the sex of the individual.</p>		16	17	18	19	20	21	22	23	24	Total	Female	1	2	33	50	40	39	31	21	12	229	Male	4	5	78	102	132	94	98	51	18	582	Total	5	7	111	152	172	133	129	72	30	811
	16	17	18	19	20	21	22	23	24	Total																																					
Female	1	2	33	50	40	39	31	21	12	229																																					
Male	4	5	78	102	132	94	98	51	18	582																																					
Total	5	7	111	152	172	133	129	72	30	811																																					
<p>Gender Reassignment</p>	<p>None identified that positively impact this group.</p>	<p>None identified that negatively impact this group.</p>	<p>No Data Available</p>																																												
<p>Marriage or Civil Partnership</p>	<p>None identified that positively impact this group.</p>	<p>None identified that negatively impact this group.</p>	<p>No Data Available</p>																																												
<p>Religion or belief</p>	<p>None identified that positively impact this group.</p>	<p>None identified that negatively impact this group.</p>	<p>No Data Available</p>																																												

Race	Care leavers between the age of 18 and 24 liable to pay Council Tax in Croydon, and for whom Croydon Council is the corporate parent, will continue to receive the Council Tax Care Leaver Relief scheme.	Care leavers between the age of 18 and 24, liable to pay Council Tax in Croydon, for whom Croydon Council is not the corporate parent, will no longer receive Council Tax Care Leaver Relief scheme. There is no one ethnicity that will be disproportionately affected.	<table border="1" data-bbox="1014 102 2040 746"> <thead> <tr> <th></th> <th>16</th> <th>17</th> <th>18</th> <th>19</th> <th>20</th> <th>21</th> <th>22</th> <th>23</th> <th>24</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>A1 - White British</td> <td>3</td> <td></td> <td>14</td> <td>18</td> <td>14</td> <td>22</td> <td>9</td> <td>7</td> <td></td> <td>87</td> </tr> <tr> <td>A2 - White Irish</td> <td></td> <td></td> <td></td> <td></td> <td>1</td> <td></td> <td></td> <td></td> <td>1</td> <td>2</td> </tr> <tr> <td>A3 - Any other White background</td> <td>1</td> <td>2</td> <td>11</td> <td>26</td> <td>41</td> <td>16</td> <td>26</td> <td>13</td> <td>11</td> <td>147</td> </tr> <tr> <td>A4 - Traveller of Irish Heritage</td> <td></td> <td></td> <td></td> <td>1</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1</td> </tr> <tr> <td>B1 - White and Black Caribbean</td> <td></td> <td></td> <td>3</td> <td>7</td> <td>10</td> <td>2</td> <td>5</td> <td>2</td> <td></td> <td>29</td> </tr> <tr> <td>B2 - White and Black African</td> <td></td> <td></td> <td>2</td> <td>1</td> <td>2</td> <td>1</td> <td></td> <td>1</td> <td></td> <td>7</td> </tr> <tr> <td>B3 - White and Asian</td> <td></td> <td></td> <td></td> <td>1</td> <td>2</td> <td></td> <td>1</td> <td></td> <td></td> <td>4</td> </tr> <tr> <td>B4 - Any other mixed background</td> <td></td> <td>1</td> <td>4</td> <td>4</td> <td>3</td> <td>1</td> <td>5</td> <td>3</td> <td></td> <td>21</td> </tr> <tr> <td>C1 - Indian</td> <td></td> <td></td> <td>1</td> <td>1</td> <td>2</td> <td></td> <td></td> <td></td> <td></td> <td>4</td> </tr> <tr> <td>C2 - Pakistani</td> <td></td> <td>1</td> <td></td> <td>1</td> <td>1</td> <td></td> <td>1</td> <td></td> <td></td> <td>4</td> </tr> <tr> <td>C3 - Bangladeshi</td> <td></td> <td></td> <td>1</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1</td> </tr> <tr> <td>C4 - Any other Asian background</td> <td></td> <td></td> <td>37</td> <td>39</td> <td>41</td> <td>40</td> <td>34</td> <td>19</td> <td>7</td> <td>217</td> </tr> <tr> <td>D1 - Caribbean</td> <td></td> <td>2</td> <td>10</td> <td>20</td> <td>19</td> <td>7</td> <td>10</td> <td>4</td> <td>5</td> <td>77</td> </tr> <tr> <td>D2 - African</td> <td></td> <td></td> <td>20</td> <td>18</td> <td>28</td> <td>32</td> <td>32</td> <td>14</td> <td>5</td> <td>149</td> </tr> <tr> <td>D3 - Any other Black background</td> <td>1</td> <td>1</td> <td>5</td> <td>11</td> <td>4</td> <td>7</td> <td>3</td> <td>6</td> <td>1</td> <td>39</td> </tr> <tr> <td>E1 - Chinese</td> <td></td> <td></td> <td></td> <td>2</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>2</td> </tr> <tr> <td>E2 - Any other ethnic group</td> <td></td> <td></td> <td>3</td> <td>2</td> <td>4</td> <td>4</td> <td>3</td> <td>3</td> <td></td> <td>19</td> </tr> <tr> <td>E3 - Refused</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1</td> <td></td> <td></td> <td></td> <td>1</td> </tr> <tr> <td>Total</td> <td>5</td> <td>7</td> <td>111</td> <td>152</td> <td>172</td> <td>133</td> <td>129</td> <td>72</td> <td>30</td> <td>811</td> </tr> </tbody> </table> <p data-bbox="1003 759 1541 858">32% of care leavers are of black ethnicity 29% of care leavers are of asian ethnicity 28% of care leavers are of white ethnicity</p> <p data-bbox="1003 895 1872 927">There is no race that will be impacted more so than any other race.</p>		16	17	18	19	20	21	22	23	24	Total	A1 - White British	3		14	18	14	22	9	7		87	A2 - White Irish					1				1	2	A3 - Any other White background	1	2	11	26	41	16	26	13	11	147	A4 - Traveller of Irish Heritage				1						1	B1 - White and Black Caribbean			3	7	10	2	5	2		29	B2 - White and Black African			2	1	2	1		1		7	B3 - White and Asian				1	2		1			4	B4 - Any other mixed background		1	4	4	3	1	5	3		21	C1 - Indian			1	1	2					4	C2 - Pakistani		1		1	1		1			4	C3 - Bangladeshi			1							1	C4 - Any other Asian background			37	39	41	40	34	19	7	217	D1 - Caribbean		2	10	20	19	7	10	4	5	77	D2 - African			20	18	28	32	32	14	5	149	D3 - Any other Black background	1	1	5	11	4	7	3	6	1	39	E1 - Chinese				2						2	E2 - Any other ethnic group			3	2	4	4	3	3		19	E3 - Refused						1				1	Total	5	7	111	152	172	133	129	72	30	811
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Sexual Orientation	None identified that positively impact this group.	None identified that negatively impact this group.	No Data Available																																																																																																																																																																																																																												
Pregnancy or Maternity	None identified that positively impact this group.	None identified that negatively impact this group.	No Data Available																																																																																																																																																																																																																												

Important note: You must act to eliminate any potential negative impact which, if it occurred would breach the Equality Act 2010. In some situations this could mean abandoning your proposed change as you may not be able to take action to mitigate all negative impacts.

When you act to reduce any negative impact or maximise any positive impact, you must ensure that this does not create a negative impact on service users and/or staff belonging to groups that share protected characteristics. **Please use table 4 to record actions that will be taken to remove or minimise any potential negative impact**

3.2 Additional information needed to determine impact of proposed change

Table 2 – Additional information needed to determine impact of proposed change

If you need to undertake further research and data gathering to help determine the likely impact of the proposed change, outline the information needed in this table. Please use the table below to describe any consultation with stakeholders and summarise how it has influenced the proposed change. Please attach evidence or provide link to appropriate data or reports:

Additional information needed and or Consultation Findings	Information source	Date for completion																				
<p>We carried out a public consultation regarding these proposed changes between 14th December 2023 and 21st January 2024. We received 25 responses, of which 8 or 32% were from care leavers and 12 or 48% were from carers of care leavers. In relation to the proposed changes the responses were:</p> <table border="1" data-bbox="98 574 1534 1157"> <thead> <tr> <th></th> <th>Strongly Agree or Agree</th> <th>Strongly Disagree</th> <th>Neither Agree nor disagree</th> </tr> </thead> <tbody> <tr> <td>How much do you agree or disagree that Croydon Council should continue to offer a council tax reduction to care leavers between the ages of 18 and 24 (inclusive) where they are the named person for council tax for a property?</td> <td>87.50%</td> <td>12.50%</td> <td></td> </tr> <tr> <td>How much do you agree or disagree that Croydon Council should continue to pay council tax for Croydon care leavers aged 18 to 24 (inclusive) who live out of the borough?</td> <td>92%</td> <td>4%</td> <td>4%</td> </tr> <tr> <td>How much do you agree or disagree with our proposal to stop the 100% council tax reduction for care leavers placed in Croydon by other local authorities? If these care leavers do not receive support from the borough/corporate parent they have come from, and need help paying their council tax they will be encouraged to apply for Council Tax Support</td> <td>50%</td> <td>50%</td> <td></td> </tr> <tr> <td>How much do you agree or disagree with our proposal to stop the 100% council tax reduction for households where a care leaver lives but is not the named person to pay council tax e.g the landlord pays the council tax? These households will be able to apply for Council Tax Support if they need help paying their council tax.</td> <td>21.70%</td> <td>73.90%</td> <td>4.30%</td> </tr> </tbody> </table> <p>Out of the 25 respondents, 22 answered the question relating to gender identity, 15 or 68.2% were female and 7 or 31.8% were male, 3 did not answer this question.</p> <p>22 respondents declared to be over 16 years of age and 3 did not answer this question.</p> <p>We asked a question for respondents over the age of 16 if the gender they identify with now is the same as registered at birth? 19 or 90.5% said yes, and 2 or 9.5% preferred not to say, 4 did not answer this question.</p>		Strongly Agree or Agree	Strongly Disagree	Neither Agree nor disagree	How much do you agree or disagree that Croydon Council should continue to offer a council tax reduction to care leavers between the ages of 18 and 24 (inclusive) where they are the named person for council tax for a property?	87.50%	12.50%		How much do you agree or disagree that Croydon Council should continue to pay council tax for Croydon care leavers aged 18 to 24 (inclusive) who live out of the borough?	92%	4%	4%	How much do you agree or disagree with our proposal to stop the 100% council tax reduction for care leavers placed in Croydon by other local authorities? If these care leavers do not receive support from the borough/corporate parent they have come from, and need help paying their council tax they will be encouraged to apply for Council Tax Support	50%	50%		How much do you agree or disagree with our proposal to stop the 100% council tax reduction for households where a care leaver lives but is not the named person to pay council tax e.g the landlord pays the council tax? These households will be able to apply for Council Tax Support if they need help paying their council tax.	21.70%	73.90%	4.30%	Results from consultation	
	Strongly Agree or Agree	Strongly Disagree	Neither Agree nor disagree																			
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16 respondents described their sexual orientation as Heterosexual/Straight, 5 or 23.8% preferred not to say, and 4 did not answer this question.

We asked which age range respondents were in and the results are below:

Which age range are you in?	16 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	Prefer not to say	Did not answer the question
Percentage of Respondents	4.50%	27.30%	0%	4.50%	9.10%	22.70%	13.60%	18.20%	
Number of Respondents	1	6	0	1	2	5	3	4	3

In relation to ethnic origin the responses are below:

How would you describe your ethnic origin?	White English	Pakistani	Bangladeshi	Black African	Black Caribbean	Any other Black background	Any other Asian Background	Chinese	Did not answer the question
Percentage of Respondents	36.40%	9.10%	4.50%	9.10%	13.60%	9.10%	13.60%	4.50%	
Number of Respondents	8	2	1	2	3	2	3	1	3

When asking what is your legal marital or registered civil partnership status the responses are below:

Currently, what is your legal marital or registered civil partnership status?	Never married and never registered a civil partnership	Married	Divorced	Widowed	Prefer not to say	Did not answer the question
Percentage of Respondents	47.80%	21.70%	8.70%	4.30%	17.40%	
Number of Respondents	11	5	2	1	4	2

We asked the respondents if they or their partner had a baby in the last 12 months, to which 2 or 9.1% said yes, 16 or 72.7% said no, 4 or 18.2% preferred not to say and 3 did not answer this question.

We asked respondents if they consider themselves to have a disability(ies) to which 3 or 13.6% said yes, 13 or 59.1% said no, 6 or 27.3% preferred not to say and 3 did not answer this question. Of the 3 who declared a disability(ies):

- 1 declared visually impaired disability
- 1 declared mobility disability
- 1 declared learning disability
- 1 declared Autism
- 2 declared ADHA

- 1 declared Ashma
- 1 declared other disability

We asked about religion and the responses are below:

What is your religion?	Christian	Muslim	No Religion	Baha'i	Prefer not to say	Did not anser the question
Percentage of Respondents	36.40%	18.20%	13.60%	4.50%	27.30%	
Number of Respondents	8	4	3	1	6	3

We asked respondents which Croydon ward they live in, and the responses are below:

Which Croydon ward do you live in?	Number of Respondents	% of respondents
Broad Green	1	4.30%
Coulston Town	2	8.70%
Kenley	1	4.30%
Norbury & Pollards Hill	1	4.30%
Purley & Woodcote	1	4.30%
Purley Oaks & Riddlesdown	2	8.70%
Selsdon & Addington	1	4.30%
South Croydon	1	4.30%
South Norwood	3	13%
Thornton Heath	4	17.40%
Waddone	1	4.30%
Other	1	4.30%
Prefer not to say	4	17.40%
Did not answer the question	2	

Although 73.9% of respondents strongly disagreed *“to stop the 100% care leavers reduction scheme to households where a care leaver resides but it is not the care leaver who is responsible for paying the council tax”*. It should be noted that the Council is reviewing foster carer allowance arrangements and will ensure that payments for carers with “Staying Put” arrangements include support for Council Tax, so that foster carers already in the scheme are not disadvantaged and to support the Council’s ambition to increase take up of these arrangements. In addition, if the resident responsible for paying council tax is on low or no income, they will be able to claim Council Tax Support.

For guidance and support with consultation and engagement visit <https://intranet.croydon.gov.uk/working-croydon/communications/consultation-and-engagement/starting-engagement-or-consultation>

3.3 Impact scores

Example

If we are going to reduce parking provision in a particular location, officers will need to assess the equality impact as follows;

1. Determine the Likelihood of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the likelihood of impact score is 2 (likely to impact)
2. Determine the Severity of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the Severity of impact score is also 2 (likely to impact)
3. Calculate the equality impact score using table 4 below and the formula **Likelihood x Severity** and record it in table 5, for the purpose of this example - **Likelihood (2) x Severity (2) = 4**

Table 4 – Equality Impact Score

Severity of Impact	3	3	6	9
	2	2	4	6
	1	1	2	3
		1	2	3
	Likelihood of Impact			

Key

Risk Index	Risk Magnitude
6 – 9	High
3 – 5	Medium
1 – 3	Low

Equality Analysis

Table 3 – Impact scores

Column 1 PROTECTED GROUP	Column 2 LIKELIHOOD OF IMPACT SCORE Use the key below to score the likelihood of the proposed change impacting each of the protected groups, by inserting either 1, 2, or 3 against each protected group. 1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact	Column 3 SEVERITY OF IMPACT SCORE Use the key below to score the severity of impact of the proposed change on each of the protected groups, by inserting either 1, 2, or 3 against each protected group. 1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact	Column 4 EQUALITY IMPACT SCORE Calculate the equality impact score for each protected group by multiplying scores in column 2 by scores in column 3. Enter the results below against each protected group. Equality impact score = likelihood of impact score x severity of impact score.
Age	2	1	2
Disability	2	1	2
Sex	2	1	2
Gender reassignment	2	1	2
Marriage / Civil Partnership	2	1	2
Race	2	1	2
Religion or belief	2	1	2
Sexual Orientation	2	1	2
Pregnancy or Maternity	2	1	2

Equality Analysis

4. Statutory duties

4.1 Public Sector Duties

Tick the relevant box(es) to indicate whether the proposed change will adversely impact the Council's ability to meet any of the Public Sector Duties in the Equality Act 2010 set out below.

Advancing equality of opportunity between people who belong to protected groups

Eliminating unlawful discrimination, harassment and victimisation

Fostering good relations between people who belong to protected characteristic groups

Important note: If the proposed change adversely impacts the Council's ability to meet any of the Public Sector Duties set out above, mitigating actions must be outlined in the Action Plan in section 5 below.

5. Action Plan to mitigate negative impacts of proposed change

Important note: Describe what alternatives have been considered and/or what actions will be taken to remove or minimise any potential negative impact identified in Table 1. Attach evidence or provide link to appropriate data, reports, etc:

Table 4 – Action Plan to mitigate negative impacts

Complete this table to show any negative impacts identified for service users and/or staff from protected groups, and planned actions mitigate them.				
Protected characteristic	Negative impact	Mitigating action(s)	Action owner	Date for completion
Age	Potentially becoming liable to pay Council Tax in Croydon.	It is expected that support is provided by the Local Authority who has corporate parenting responsibility for the care leaver. If this is not forthcoming, and the care leaver is in receipt of no or low income, the care leaver will be able to make a claim for	The process to claim Council Tax Support currently exists as part of Council Tax "business as usual" administration.	N/A

Equality Analysis

		Council Tax Support, to help pay for Council Tax.		
Disability	Potentially becoming liable to pay Council Tax in Croydon.	It is expected that support is provided by the Local Authority who has corporate parenting responsibility for the care leaver. If this is not forthcoming, and the care leaver is in receipt of no or low income, the care leaver will be able to make a claim for Council Tax Support, to help pay for Council Tax.	The process to claim Council Tax Support currently exists as part of Council Tax "business as usual" administration.	N/A
Sex	Potentially becoming liable to pay Council Tax in Croydon.	It is expected that support is provided by the Local Authority who has corporate parenting responsibility for the care leaver. If this is not forthcoming, and the care leaver is in receipt of no or low income, the care leaver will be able to make a claim for Council Tax Support, to help pay for Council Tax.	The process to claim Council Tax Support currently exists as part of Council Tax "business as usual" administration.	N/A
Gender reassignment	Potentially becoming liable to pay Council Tax in Croydon.	It is expected that support is provided by the Local Authority who has corporate parenting responsibility for the care leaver. If this is not forthcoming, and the care leaver is in receipt of no or low income, the care leaver will be able to make a claim for Council Tax Support, to help pay for Council Tax.	The process to claim Council Tax Support currently exists as part of Council Tax "business as usual" administration.	N/A

Equality Analysis

Marriage / Civil Partnership	Potentially becoming liable to pay Council Tax in Croydon.	It is expected that support is provided by the Local Authority who has corporate parenting responsibility for the care leaver. If this is not forthcoming, and the care leaver is in receipt of no or low income, the care leaver will be able to make a claim for Council Tax Support, to help pay for Council Tax.	The process to claim Council Tax Support currently exists as part of Council Tax "business as usual" administration.	N/A
Race	Potentially becoming liable to pay Council Tax in Croydon.	It is expected that support is provided by the Local Authority who has corporate parenting responsibility for the care leaver. If this is not forthcoming, and the care leaver is in receipt of no or low income, the care leaver will be able to make a claim for Council Tax Support, to help pay for Council Tax.	The process to claim Council Tax Support currently exists as part of Council Tax "business as usual" administration.	N/A
Religion or belief	Potentially becoming liable to pay Council Tax in Croydon.	It is expected that support is provided by the Local Authority who has corporate parenting responsibility for the care leaver. If this is not forthcoming, and the care leaver is in receipt of no or low income, the care leaver will be able to make a claim for Council Tax Support, to help pay for Council Tax.	The process to claim Council Tax Support currently exists as part of Council Tax "business as usual" administration.	N/A
Sexual Orientation	Potentially becoming liable to pay Council Tax in Croydon.	It is expected that support is provided by the Local Authority who has	The process to claim Council Tax	N/A

Equality Analysis

		corporate parenting responsibility for the care leaver. If this is not forthcoming, and the care leaver is in receipt of no or low income, the care leaver will be able to make a claim for Council Tax Support, to help pay for Council Tax.	Support currently exists as part of Council Tax “business as usual” administration.	
Pregnancy or Maternity	Potentially becoming liable to pay Council Tax in Croydon. None	It is expected that support is provided by the Local Authority who has corporate parenting responsibility for the care leaver. If this is not forthcoming, and the care leaver is in receipt of no or low income, the care leaver will be able to make a claim for Council Tax Support, to help pay for Council Tax.	The process to claim Council Tax Support currently exists as part of Council Tax “business as usual” administration.	N/A

Equality Analysis

6. Decision on the proposed change

Based on the information outlined in this Equality Analysis enter **X** in column 3 (**Conclusion**) alongside the relevant statement to show your conclusion.

Decision	Definition	Conclusion - Mark 'X' below
No major change	<p>Our analysis demonstrates that the policy is robust. The evidence shows no potential for discrimination and we have taken all opportunities to advance equality and foster good relations, subject to continuing monitoring and review. If you reach this conclusion, state your reasons and briefly outline the evidence used to support your decision.</p> <p>Reason:</p> <p>The scheme has no potential for discrimination in itself, the proposed change also has no potential for discrimination.</p> <p>The council is seeking to collect council tax from other local authorities and from residents where they, themselves, are not care leavers.</p>	X
Adjust the proposed change	<p>We will take steps to lessen the impact of the proposed change should it adversely impact the Council's ability to meet any of the Public Sector Duties set out under section 4 above, remove barriers or better promote equality. We are going to take action to ensure these opportunities are realised. If you reach this conclusion, you must outline the actions you will take in Action Plan in section 5 of the Equality Analysis form</p>	
Continue the proposed change	<p>We will adopt or continue with the change, despite potential for adverse impact or opportunities to lessen the impact of discrimination, harassment or victimisation and better advance equality and foster good relations between groups through the change. However, we are not planning to implement them as we are satisfied that our project will not lead to unlawful discrimination and there are justifiable reasons to continue as planned. If you reach this conclusion, you should clearly set out the justifications for doing this and it must be in line with the duty to have due regard and how you reached this decision.</p>	
Stop or amend the proposed change	<p>Our change would have adverse effects on one or more protected groups that are not justified and cannot be mitigated. Our proposed change must be stopped or amended.</p>	

Equality Analysis

Will this decision be considered at a scheduled meeting? e.g. Contracts and Commissioning Board (CCB) / Cabinet	Meeting title:
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7. Sign-Off

Officers that must approve this decision	
Equalities Lead	Name: Naseer Ahmad Date: 08/01/2024 Position: Interim Senior Equalities Officer
Director	Name: Date: Position:

Have your say on our consultation on changes to Croydon's care leavers' council tax reduction scheme

SURVEY RESPONSE REPORT

08 October 2021 - 21 January 2024

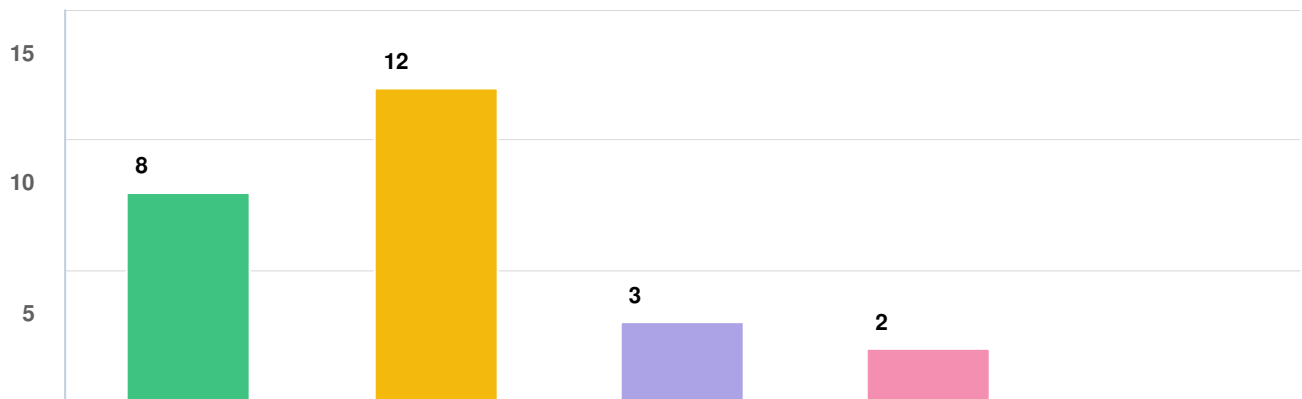
PROJECT NAME:

Consultation on changes to Croydon's care leavers' council tax reduction scheme



SURVEY QUESTIONS

Q1 Are you:

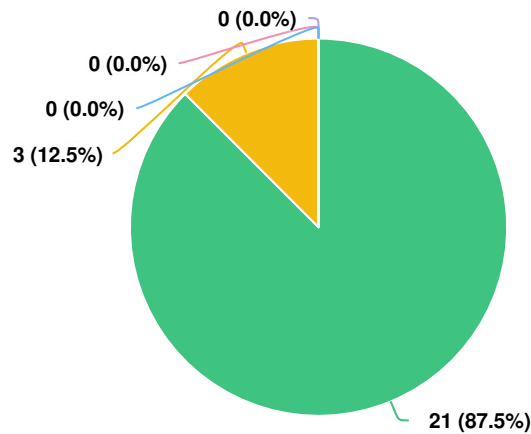


Question options

- A Croydon care experienced young person aged 18-24
- A carer of a care experienced young person aged 18-24
- A professional who works with care experienced young people
- Other (please specify)
- A Croydon care experienced young person (25 and over)

Optional question (25 response(s), 0 skipped)
Question type: Checkbox Question

Q2 How much do you agree or disagree that Croydon Council should continue to offer a council tax reduction to care leavers bet...



Question options

- Strongly agree
- Strongly disagree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree

Optional question (24 response(s), 1 skipped)
Question type: Radio Button Question

Q3 Please explain your answer to the previous question including any impacts you feel this may have:

Screen Name Redacted

12/15/2023 04:22 PM

I am currently a care leaver who has been experiencing this discount, it has benefitted me a lot seeming as I do not have parents to support or lean on in times of financial difficulty, I feel like the support from the council makes up for the lack of parental support that I should have had, bit of sunshine in a grey situation!

Screen Name Redacted

12/15/2023 04:25 PM

I believe all care leavers should have 100% discount council tax reduction, as it is hard to be a young person paying all bills yourself including food and gas as it is and also when your a care leaver your just starting to become independent. So this 100% discount helps so much young people from being financially stable and working hard to work for their career while learning how to be independent by themselves. It has helped me loads and if I had to pay council tax with my age right now as a care leaver It would impact my mental health and probably de motivate me to work to pay for my own bills. As a care leaver we don't have family we can relay on finicially so this 100% discount really helps every care leaver out and taking it away from a. Care leaver can really expose them to vulnerability.

Screen Name Redacted

12/15/2023 05:15 PM

Us care leavers face more stress than we ever should when it comes to leaving care having council tax is such a huge responsibility I've received incorrect bills before and been so scared and stressed even with the exemptions please do not take this away form ANY care leavers

Screen Name Redacted

12/15/2023 08:12 PM

I would not do staying put as the fee is reduced and is only balanced out by ctax reduction.

Screen Name Redacted

12/16/2023 02:03 PM

Life is extremely hard for all care leavers and the people that support them. Any financial assistance available, is invaluable and should be retained.

Screen Name Redacted

12/16/2023 07:33 PM

agree a care leaver is a care leaver and needs support

Screen Name Redacted

12/18/2023 08:49 AM

This will have a huge impact on our young people who are already struggling to meet their rent and utility bills.

Screen Name Redacted

12/19/2023 06:49 AM

Care leavers within that age group would still be struggling with independent skills and would need this help to avoid uncontrollable debts at that stage of their life

Screen Name Redacted

1/05/2024 11:35 AM

I'm currently a care leaver and don't pay council tax if I was to pay council tax out of my universal credit I'll have nothing left to live off currently have a young child also so quiet hard to keep onto with less money

Screen Name Redacted

1/05/2024 04:49 PM

This tax is way too high for a care leaver on a lower income, so it will allow them to manage their finances better.

Screen Name Redacted

1/05/2024 08:26 PM

This is necessary as the young people do not generally have family support to assist with budgeting or financial support when they are unable to manage.

Screen Name Redacted

1/06/2024 03:20 PM

You lot have barley done anything to help us at least top taking away benefits

Screen Name Redacted

1/08/2024 11:48 AM

This will allow young people time to get used to paying bills etc now that they are either coming out of care or still in education

Screen Name Redacted

1/10/2024 01:31 PM

Agree if care leavers are living independently and are liable to pay council tax.

Screen Name Redacted

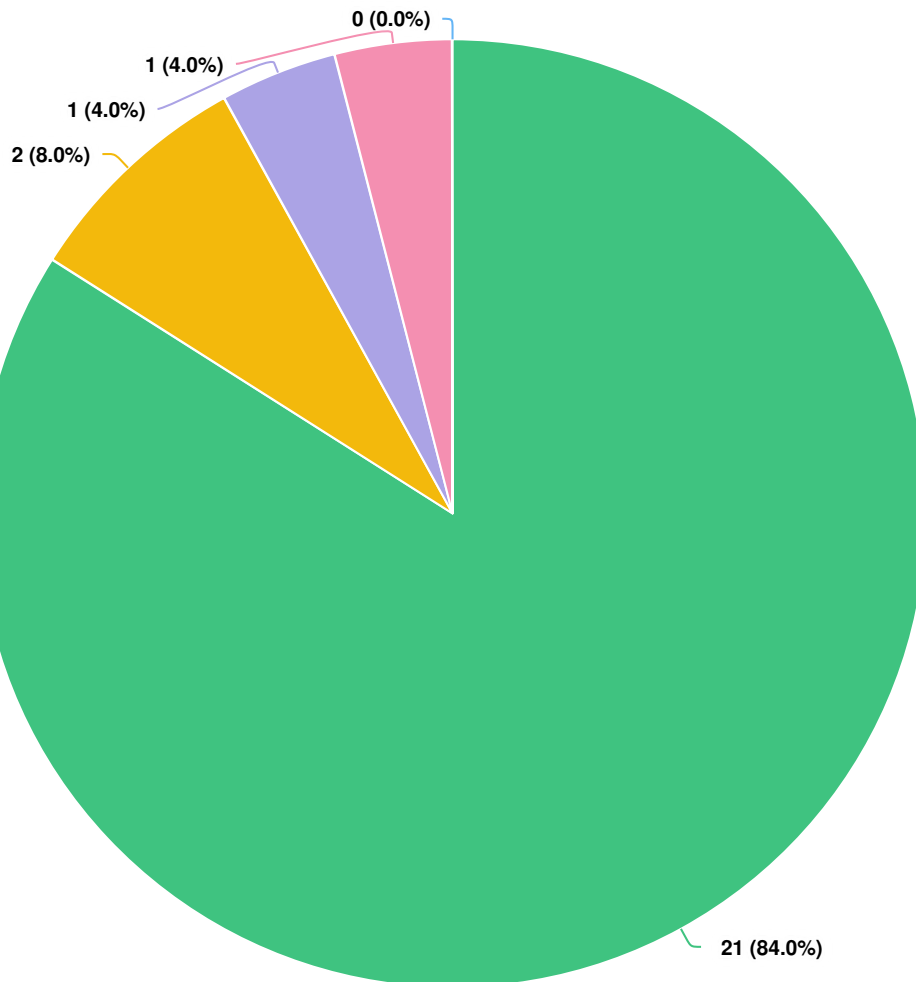
1/19/2024 08:16 PM

This will support them financially.

Optional question (15 response(s), 10 skipped)

Question type: Essay Question

Q4 How much do you agree or disagree that Croydon Council should continue to pay council tax for Croydon care leavers aged 18 to 24 (inclusive) who live out of the borough?



Question options

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Optional question (25 response(s), 0 skipped)
Question type: Radio Button Question

Q5 Please explain your answer to the previous question including any impacts you feel this may have:

Screen Name Redacted

12/15/2023 04:22 PM

As I said before the support is needed more than you may think, people who live and have a relationship with their parents wouldn't understand that abandonment of responsibilities has massive effects even as young children get into their adult years, we all need support at some point in our lives!

Screen Name Redacted

12/15/2023 04:25 PM

I believe all care leavers should have 100% discount council tax reduction, as it is hard to be a young person paying all bills yourself including food and gas as it is and also when you are a care leaver just starting to become independent. So this 100% discount helps so much young people from being financially stable and working hard to work for their career while learning how to be independent by themselves. It has helped me loads and if I had to pay council tax with my age right now as a care leaver it would impact my mental health and probably demotivate me to work to pay for my own bills. As a care leaver we don't have family we can rely on financially so this 100% discount really helps every care leaver out and taking it away from a care leaver can really expose them to vulnerability.

Screen Name Redacted

12/15/2023 05:15 PM

You CROYDON COUNCIL made it your responsibility to look after ALL young people you put on full care orders regardless of if CROYDON house people outside of the borough. 9/10 the young person doesn't even want to leave Croydon let alone be moved away and then stuck with bills and stress away from the area.

Screen Name Redacted

12/15/2023 08:12 PM

Young people in care don't understand bills and still need the support

Screen Name Redacted

12/16/2023 06:09 AM

You cannot discriminate because of where you placed a young person.

Screen Name Redacted

12/16/2023 02:03 PM

The Croydon area is quite troubled at times, so if a care leaver tries to "better themselves" and move to a more settled area, that should be encouraged and not made financially more difficult.

Screen Name Redacted

12/16/2023 04:32 PM

Gives us time to manage things

Screen Name Redacted

12/16/2023 07:33 PM

Care leavers are sometimes unable to be housed in their own borough and they are still a vulnerable young person and a care leaver which statistically reduces their life chances without additional pressure as they leave care

Screen Name Redacted

12/18/2023 08:49 AM

Young people should remain exempt until 25, to give them the best chances whilst they complete their education and earn so they can factor in this extra outgoing.

Screen Name Redacted

12/19/2023 06:49 AM

For the same reason stated above

Screen Name Redacted

1/03/2024 08:25 AM

A care leaver aged 18 to 24 does not necessarily choose to be placed out of borough.

Screen Name Redacted

1/05/2024 11:35 AM

Everyone has their own struggles and no matter what area everyone should be treated the same

Screen Name Redacted

1/05/2024 04:49 PM

It's a strain on our services if they are not contributing income to the borough. It should be borne by the council they live in.

Screen Name Redacted

1/05/2024 08:26 PM

Same as above

Screen Name Redacted

1/06/2024 03:20 PM

I strongly agree because if there are no opportunities for them in the borough then they are fucked because if they leave the borough for an opportunity they have no support that's stupid! What is it a prison? Ps ELijah Pink

Screen Name Redacted

1/08/2024 11:48 AM

If the young person is from the Borough of Croydon I think they should still have that responsibility for that young person. If the young person is from out of Borough then the original Borough should continue with that support

Screen Name Redacted

1/10/2024 01:31 PM

If care leavers have been housed outside the borough by the council then they should continue to receive the benefit from the corporate parent.

Screen Name Redacted N/A

1/18/2024 02:58 PM

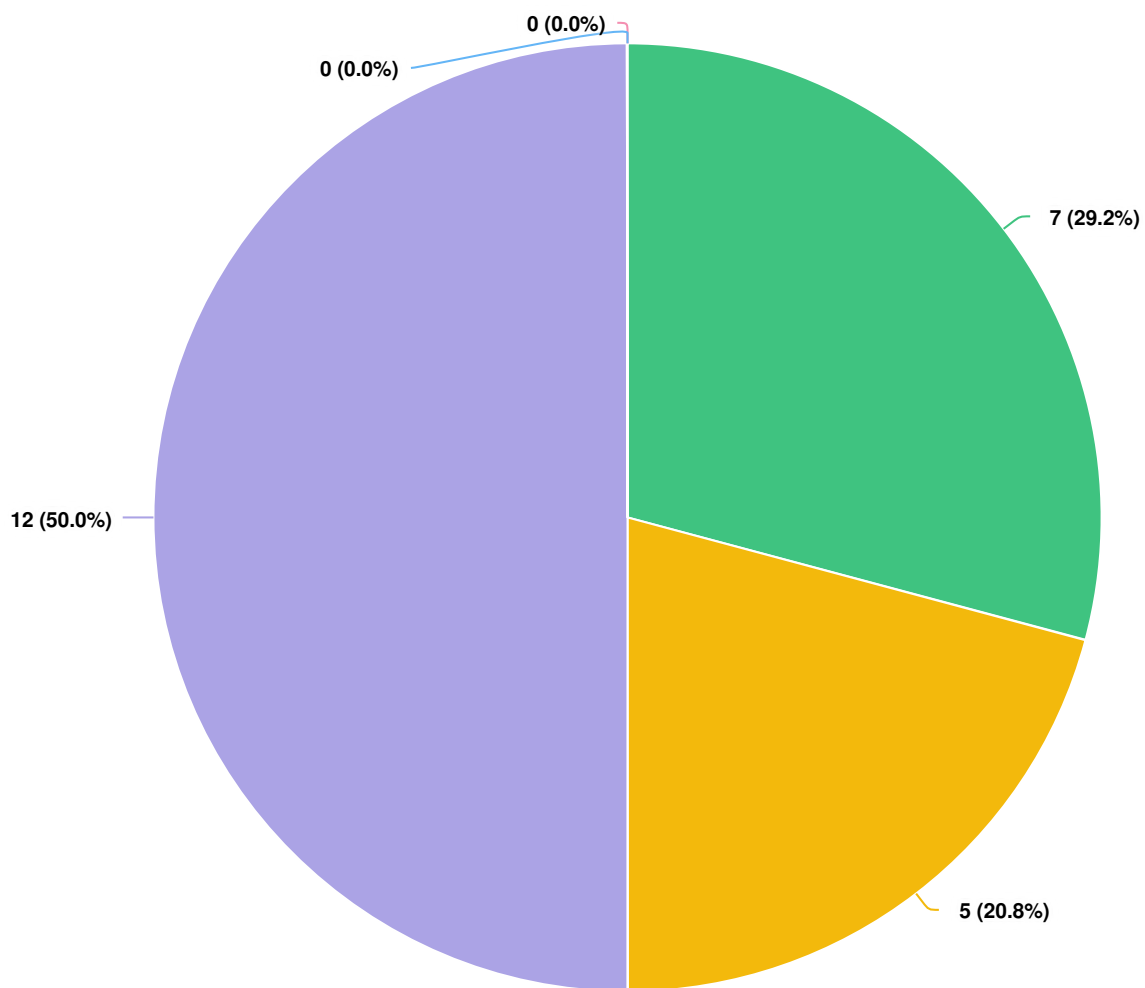
Screen Name Redacted This will support them financially

1/19/2024 08:16 PM

Optional question (19 response(s), 6 skipped)

Question type: Essay Question

Q6 How much do you agree or disagree with our proposal to stop the 100% council tax reduction for care leavers placed in Croydon by other local authorities? If these care leavers do not receive support from the borough/corporate parent they have come f...



Question options

- Strongly agree
- Somewhat agree
- Strongly disagree
- Neither agree nor disagree
- Somewhat disagree

Optional question (24 response(s), 1 skipped)
Question type: Radio Button Question

Q7 Please explain your answer to the previous question including any impacts you feel this may have:

Screen Name Redacted

12/15/2023 04:22 PM

I suppose you can argue that other authorities should look after their own, but definitely Croydon council should support people who live in their borough.

Screen Name Redacted

12/15/2023 04:25 PM

I believe all care leavers should have 100% discount council tax reduction, as it is hard to be a young person paying all bills yourself including food and gas as it is and also when you are a care leaver you just starting to become independent. So this 100% discount helps so much young people from being financially stable and working hard to work for their career while learning how to be independent by themselves. It has helped me loads and if I had to pay council tax with my age right now as a care leaver it would impact my mental health and probably demotivate me to work to pay for my own bills. As a care leaver we don't have family we can rely on financially so this 100% discount really helps every care leaver out and taking it away from a care leaver can really expose them to vulnerability.

Screen Name Redacted

12/15/2023 05:15 PM

Every care leaver deserves the same treatment as best you can. Why should someone else miss out when they could've fled DV or gangs or dangerous family members. No differences we are all young people trying to make our way in life

Screen Name Redacted

12/15/2023 08:12 PM

If they are in your borough they should be treated as a care leaver not distinguished by borough as well

Screen Name Redacted

12/16/2023 06:09 AM

There is too much discussion between boroughs. Every borough that welcomes a child will have their child living in another borough. Look at the big picture. All local authorities are one. All receive funding from central government

Screen Name Redacted

12/16/2023 02:03 PM

All support possible should be made available for these young people - don't make life even harder for them!

Screen Name Redacted

12/16/2023 04:32 PM

As long as they get assistance from their Borough

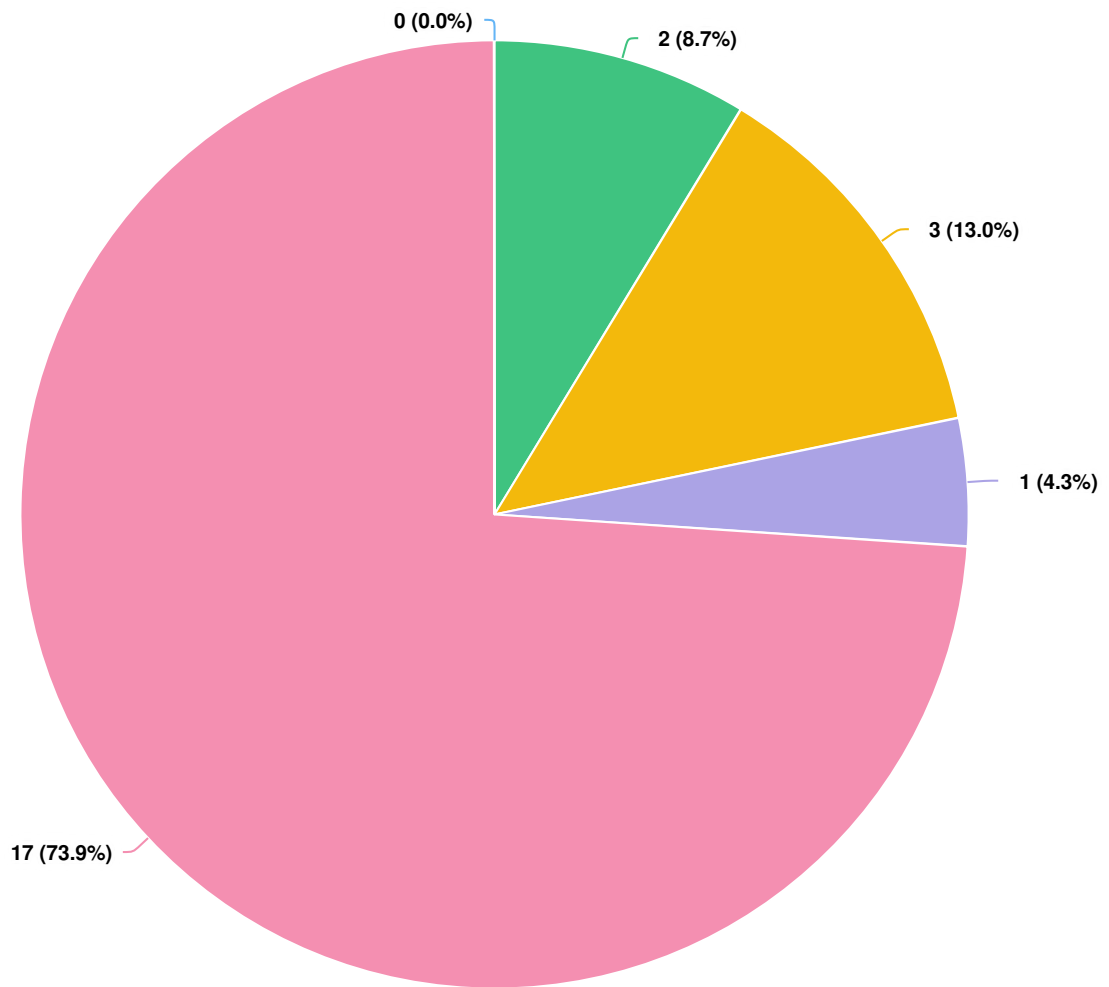
Screen Name Redacted 12/16/2023 07:33 PM	it is not the care leavers fault they cannot be used in their own borough this is a cost cutting exercise
Screen Name Redacted 12/18/2023 08:49 AM	Further pressure and demands on their minimal income potentially leading to debt and financial crisis
Screen Name Redacted 12/19/2023 06:49 AM	It is reasonable for their Boroughs to pay their council tax as Croydon pays for its care leavers in other boroughs
Screen Name Redacted 1/03/2024 08:25 AM	This should be the responsibility of the borough/corporate parent that places them.
Screen Name Redacted 1/05/2024 11:35 AM	If they not had the support before they can do with our
Screen Name Redacted 1/05/2024 04:49 PM	If the care leaver comes from a another Borough council tax should be paid by the Borough they come from if the Borough they live in is giving them accommodation at a free/reduced rate.
Screen Name Redacted 1/05/2024 08:26 PM	The other LA's should me responsible
Screen Name Redacted 1/06/2024 03:20 PM	N/a it's stupid ideas
Screen Name Redacted 1/08/2024 11:48 AM	These young people still remain the responsibility of the original Borough they come from and so Croydon should have in place an agreement with other boroughs what is expected if a young person is placed within the borough, and where young people can get help if needed.
Screen Name Redacted 1/10/2024 01:31 PM	It is the opposite of the previous question. The corporate parent should be responsible for paying the council tax.
Screen Name Redacted 1/18/2024 02:58 PM	Care Leavers have zero money to pay for council tax once on prepayment meters for utilities pay for travel to college/ apprenticeship and need to visit food banks.
Screen Name Redacted	This will not help them financially

1/19/2024 08:16 PM

Optional question (19 response(s), 6 skipped)

Question type: Essay Question

Q8 How much do you agree or disagree with our proposal to stop the 100% council tax reduction for households where a care leaver lives but is not the named person to pay council tax e.g the landlord pays the council tax? These households will be able t...



Question options

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Strongly disagree
- Somewhat disagree

Optional question (23 response(s), 2 skipped)
Question type: Radio Button Question

Q9 Please explain your answer to the previous question including any impacts you feel this may have:

Screen Name Redacted

12/15/2023 04:22 PM

If the care leaver isn't responsible for the council tax then no I don't believe it should be paid for

Screen Name Redacted

12/15/2023 04:25 PM

I believe all care leavers should have 100% discount council tax reduction, as it is hard to be a young person paying all bills yourself including food and gas as it is and also when your a care leaver your just starting to become independent. So this 100% discount helps so much young people from being financially stable and working hard to work for their career while learning how to be independent by themselves. It has helped me loads and if I had to pay council tax with my age right now as a care leaver It would impact my mental health and probably de motivate me to work to pay for my own bills. As a care leaver we don't have family we can rely on finicially so this 100% discount really helps every care leaver out and taking it away from a. Care leaver can really expose them to vulnerability.

Screen Name Redacted

12/15/2023 05:15 PM

Situations can change and if the landlords paying the council tax anyway why remove the label from the young person? When the move again they'll benefit of having that

Screen Name Redacted

12/15/2023 08:12 PM

If they are not entitled to ctax support it's an additional bill so wouldn't do staying put

Screen Name Redacted

12/16/2023 06:09 AM

Let's keep things simple. Changes and different approaches are unfair, complicated and the process probably costs more.

Screen Name Redacted

12/16/2023 02:03 PM

As mentioned before, life is extremely hard for all care leavers and the people that support them. Any financial assistance available, is invaluable and should be retained. I'm a full time foster carer and currently have a young person living with me under the "staying Put" scheme who has severe mental health issues. (He will soon be 20 and I have cared for him since he was 8). Not having to think about paying the Council Tax, is one less thing to worry about with all the other increasing life expenses. I'm a single foster carer, but wouldn't be able to claim the "25% single person discount" if the younger person stayed. The allowance for supporting them hasn't increased for over 3 years which is another factor. From talking to his Social Services PA, there is a tremendous shortage of affordable housing

and this could "tip the iceberg" and carers not feel economically able to continue helping these vulnerable young people.

Screen Name Redacted

12/16/2023 04:32 PM

No foster carer will want to keep us in their home now.

Screen Name Redacted

12/16/2023 07:33 PM

The impact will be on foster carers who offer to house 18-21yr olds using a 'staying-put' scheme as fostered children leave care. The money for staying put is low, and there need to be benefits to families offering this service or they will stop.

Screen Name Redacted

12/19/2023 06:49 AM

Even if the landlord who is not the carer is named as the council tax payer, once the discount is removed, the landlord will find a way of transferring the cost to the carer eg through rent increase.

Screen Name Redacted

1/03/2024 08:25 AM

The terminology is not clear. Do you mean by 'landlord', carers who have chosen to offer staying put support to care leavers? In this case, where care leavers are 'staying put', then those carers should continue to be given 100% council tax reduction for each young person in that category.

Screen Name Redacted

1/05/2024 04:49 PM

Carer's income is very low and 100% discount enables us to provide the support care leavers still need. I don't believe there are huge numbers of foster carers who take on care leavers and its a good incentive to continue having them live with us, and the take up will probably reduce without it. It costs more to accommodate them outside of the carer's home even if there was other accommodation available. At the very least there should be a minimum 75% reduction of council tax.

Screen Name Redacted

1/05/2024 08:26 PM

The staying put allowance paid to a foster carer who was previously receiving the full fostering allowance, is less than half. Removing the council tax reduction in full would not provide an incentive for carer's to offer this service. Foster carers are already aware that they are financially better off by accepting another foster placement, as an alternative to undertaking a Staying Put Placement. Some of these young people are simply not ready for independence and will be disadvantaged by being forced to manage alone before they are ready.

Screen Name Redacted

1/06/2024 12:29 AM

Most carers will choose not to do staying Put, including myself

Screen Name Redacted

ldk

1/06/2024 03:20 PM

Screen Name Redacted

The 100% discount should continue as before. To reduce it would be unfair for the household where care leaver lives.

1/08/2024 11:06 AM

Screen Name Redacted

As a Foster Carer I find that this 100% discount is a very attractive incentive in keeping a young person at home as they now come into adulthood. This gives for some of our most vulnerable young people continuity and a safety net other than being put straight out into an alien environment when some are nowhere near being ready to experience this. Also if they are still in education this again gives continuity to continue to thrive without all the other issues of living on their own.

1/08/2024 11:48 AM

Screen Name Redacted

Those care leavers who are accommodated under the staying put agreement and are living with their previous foster carers. The 100% reduction should not be removed because the previous foster carers are providing much needed support and accommodation which otherwise the council will have to provide. The financial impact on the council will far exceed the council tax.

1/10/2024 01:31 PM

Screen Name Redacted

The households should be given this as a financial benefit because of the work they do for the borough. There is currently No financial reward for the work that Carers / households do for their boroughs. Carers get paid for the job that they do like anyone that is employed. This is an incentive for current and prospective carers.

1/19/2024 08:16 PM

Optional question (18 response(s), 7 skipped)

Question type: Essay Question

Q10 | If you have any other comments about our proposed changes or ideas for the scheme, please tell us here:

Screen Name Redacted

I really think this 100% scheme should carry on I am a care leaver and a youth worker for kids in care. And stopping this 100% council tax scheme will put a lot of young people in a vulnerable position myself included

12/15/2023 04:25 PM

Screen Name Redacted

It's madness, you're trying to save money and take it off the people

12/15/2023 05:15 PM

who cannot afford to give you it. Find other ways to fund your bankruptcy

Screen Name Redacted

12/15/2023 08:12 PM

It would affect care leavers as foster carers will want the young people out at 18 instead of 24.

Screen Name Redacted

12/16/2023 06:09 AM

Treat the households decently and they will want to offer their homes to care leavers. Croydon are not retaining foster carers, staying put carers or supported lodging places. Where are care leavers going to live. I am disgusted at Croydon's short sightedness. We know that care experienced adults do not have the greatest outcomes. We are all struggling financially. Croydon sort out your finances. Attempts at making a quick saving result in long term consequences for young people in care and care experienced adults. These savings will have a detrimental effect on society.

Screen Name Redacted

12/16/2023 02:03 PM

I fully appreciate that Croydon Council is bankrupt and in "Special Measures". But surely our most vulnerable young people must not be made to suffer.

Screen Name Redacted

12/16/2023 04:32 PM

Are you thenonky Borough doing this. Why are you doing this now especially when the economy is so bad.

Screen Name Redacted

12/16/2023 07:33 PM

why are you changing the lo cal offer for care leavers to disadvantage them further, because the council overspent on indulgent schemes why should care leavers suffer

Screen Name Redacted

12/18/2023 08:49 AM

We must protect our vulnerable care leavers best we can to support them to reach independence and not creating a further financial burden.

Screen Name Redacted

1/05/2024 04:49 PM

Boroughs need to split costs. See 7.

Screen Name Redacted

1/05/2024 08:26 PM

This survey should have routinely been sent out all all foster carers who may have young people reaching the age of 18 in the foreseeable future and who may be considering a Staying Put agreement, as it will directly affect them if this proposal is introduced.

Screen Name Redacted

Start helping our care children before they become a care leaver and

1/06/2024 03:20 PM

this won't happen dug

Screen Name Redacted

1/08/2024 11:06 AM

The benefits should be kept as they are.

Screen Name Redacted

1/08/2024 11:48 AM

I don't know for a Landlord but as a Foster Carer this 100% discount not only is a 'perk' or incentive to keep a young person in placement not only for support, but to help them further especially if they are still in education. I have seen first hand the damage that can happen to some young people who at 18 are 'thrown' out of a safe home when they are not ready, how their education, mental health etc can suffer. and potentially at the risk particularly from bad outside influences etc. My fear is that many Foster Carers whilst being great carers will not especially in this current financial climate may not see a point in the continued support if this will put them into more financial difficulties. Also what is the saving for the Council in the long run when they have to find extra accommodation etc for young people who are safe and cared for? Is this Care of duty?

Screen Name Redacted

1/10/2024 01:31 PM

The 100% reduction given under the staying put agreement should not be removed where a care leaver is still part of the household where he was previously fostered. The previous foster carers are providing essential housing and good deal of support which is vital for a care leaver. If the council has to provide the same level of accommodation and support, the financial impact will be greater than the council tax. So in summary where the care leaver is still in the same house where he was fostered then the 100% reduction in the council tax should remain.

Screen Name Redacted

1/18/2024 02:58 PM

Care leavers have barely enough money to keep afloat now as student/ apprenticeships or working. There is not the Parents to help sort this out

Screen Name Redacted

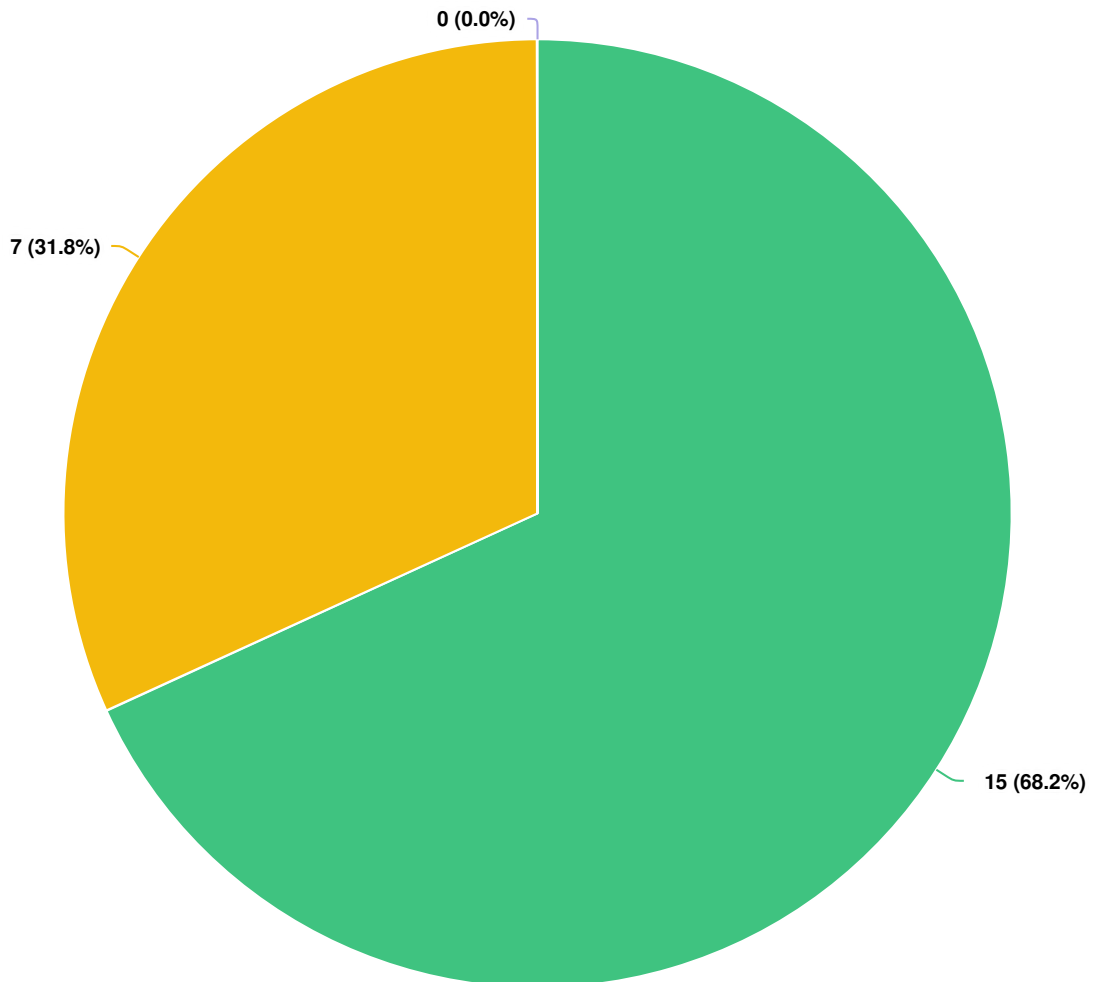
1/19/2024 08:16 PM

The way to keep the exemption in place for households that are liable for CT would be for Croydon to charge the LA of the YP for the council tax due. All Croydon YP should be exempt because its a financial insentive for carers and prospextive carers. It would cost Croydon a lot more money if there were less carers. Croydon needs to incentivise being a Foster Csrer as do all local authorities and Central Government. As a foster carer for 24 years i believe there is so much more that can be offered to the people that give up their own lives to share it with children that need their help, support and love.

Optional question (16 response(s), 9 skipped)

Question type: Essay Question

Q11 What is your sex? (a question about gender identity will follow if you are aged 16 or over)

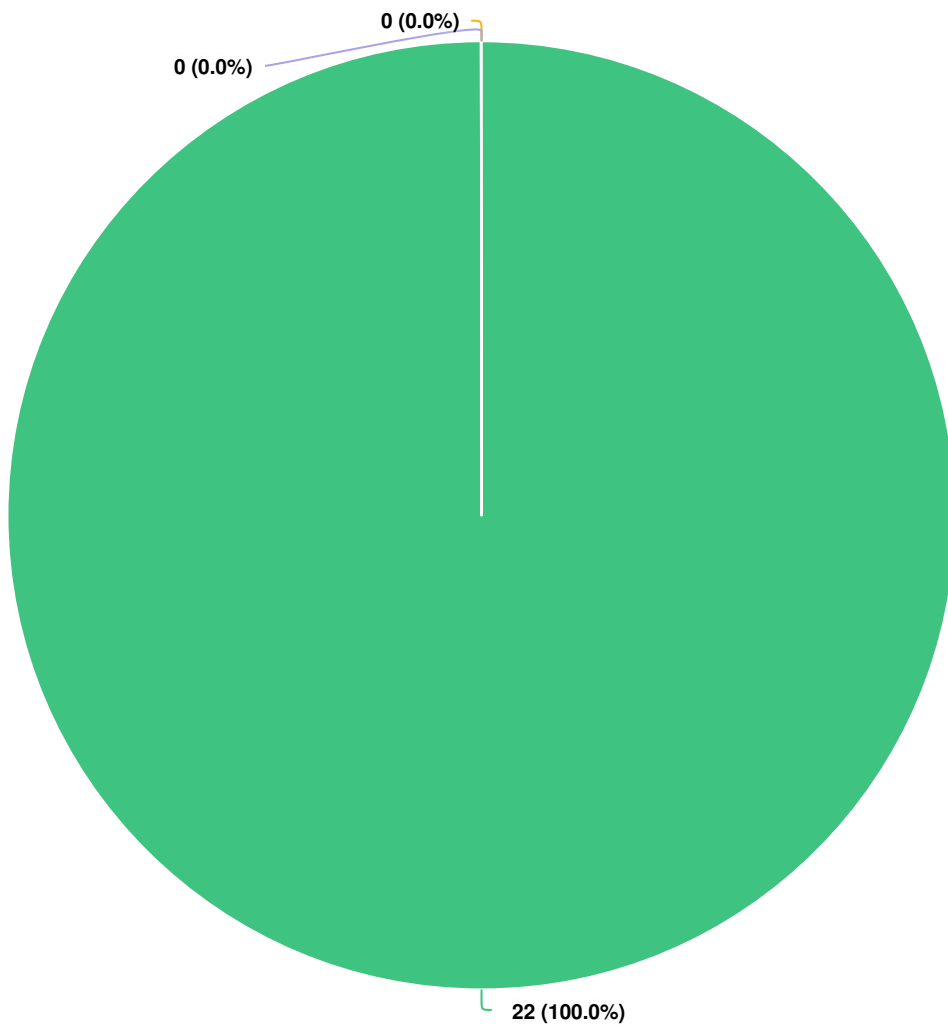


Question options

Female Male Prefer not to say

Optional question (22 response(s), 3 skipped)
Question type: Radio Button Question

Q12 Are you aged 16 or over?

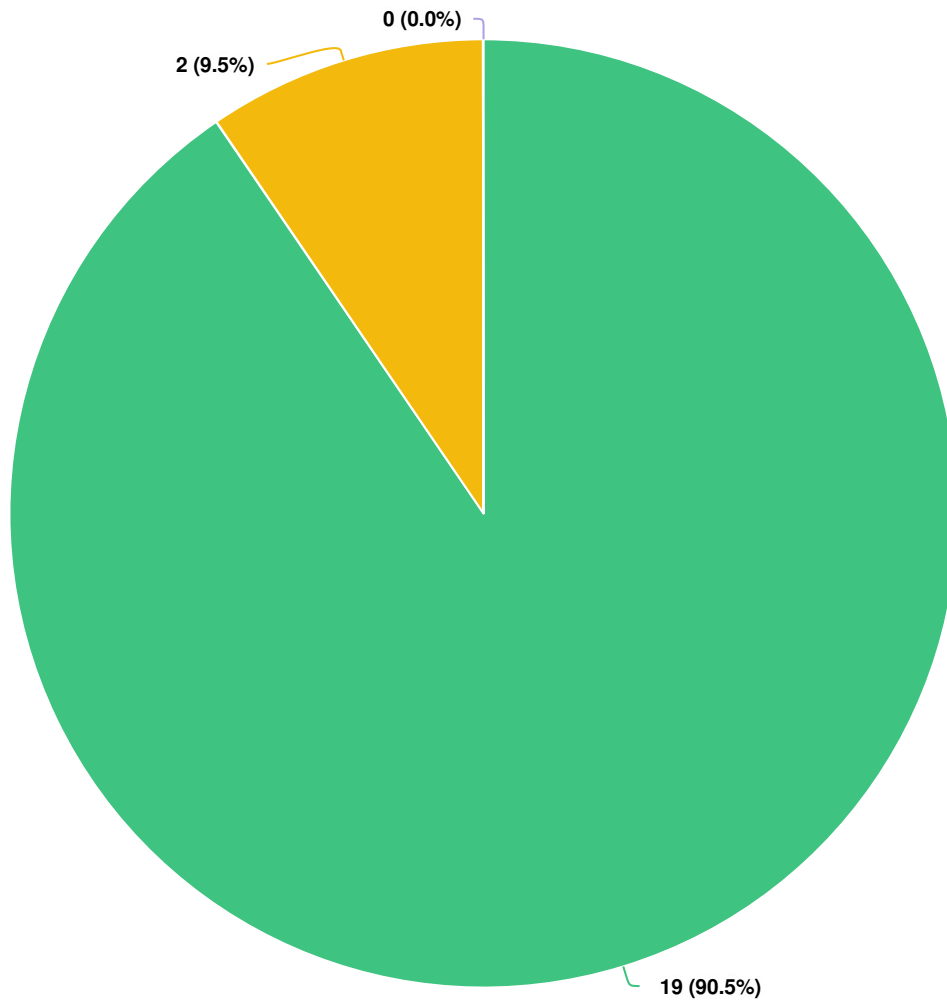


Question options

- Yes
- No
- Prefer not to say

Optional question (22 response(s), 3 skipped)
Question type: Radio Button Question

Q13 This question is for respondents aged 16 and over: Is the gender you identify with the same as your sex registered at birth? (this question is voluntary)



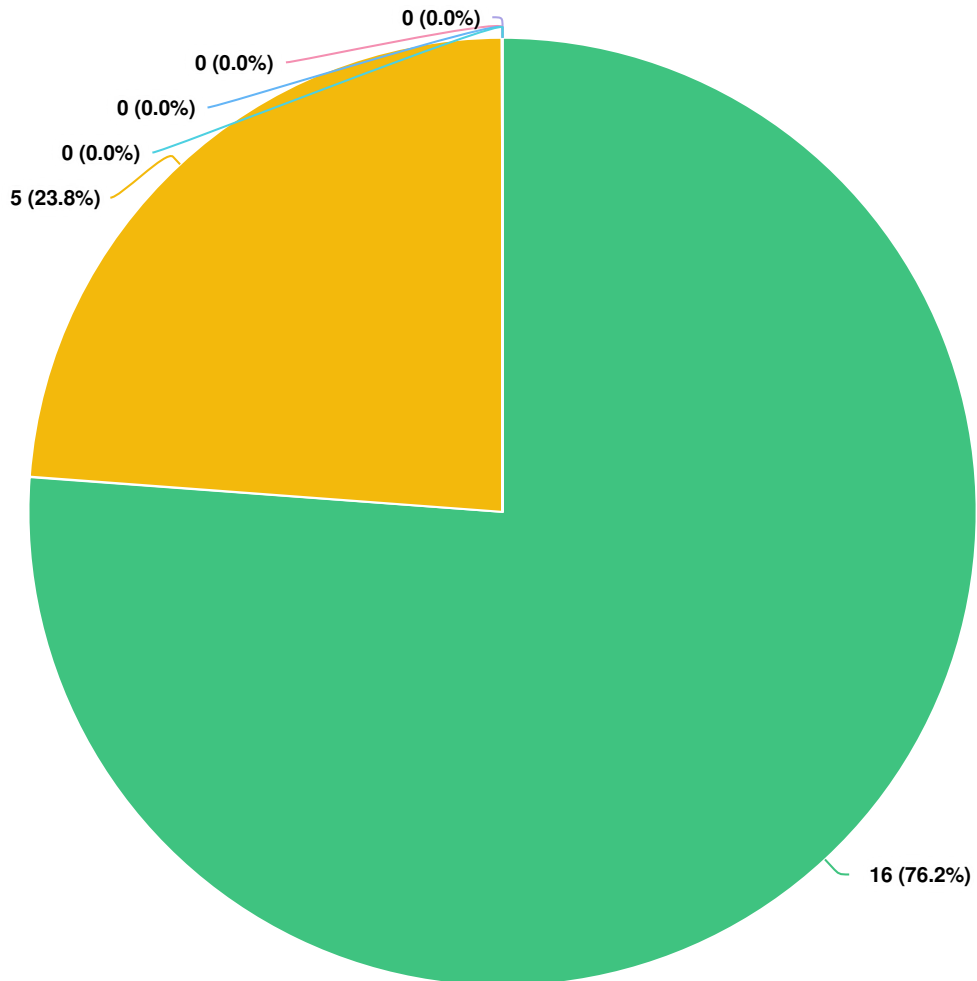
Question options

- Yes
- Prefer not to say
- No - write in identity

Optional question (21 response(s), 4 skipped)

Question type: Radio Button Question

Q14 Which of the following best describes your sexual orientation?

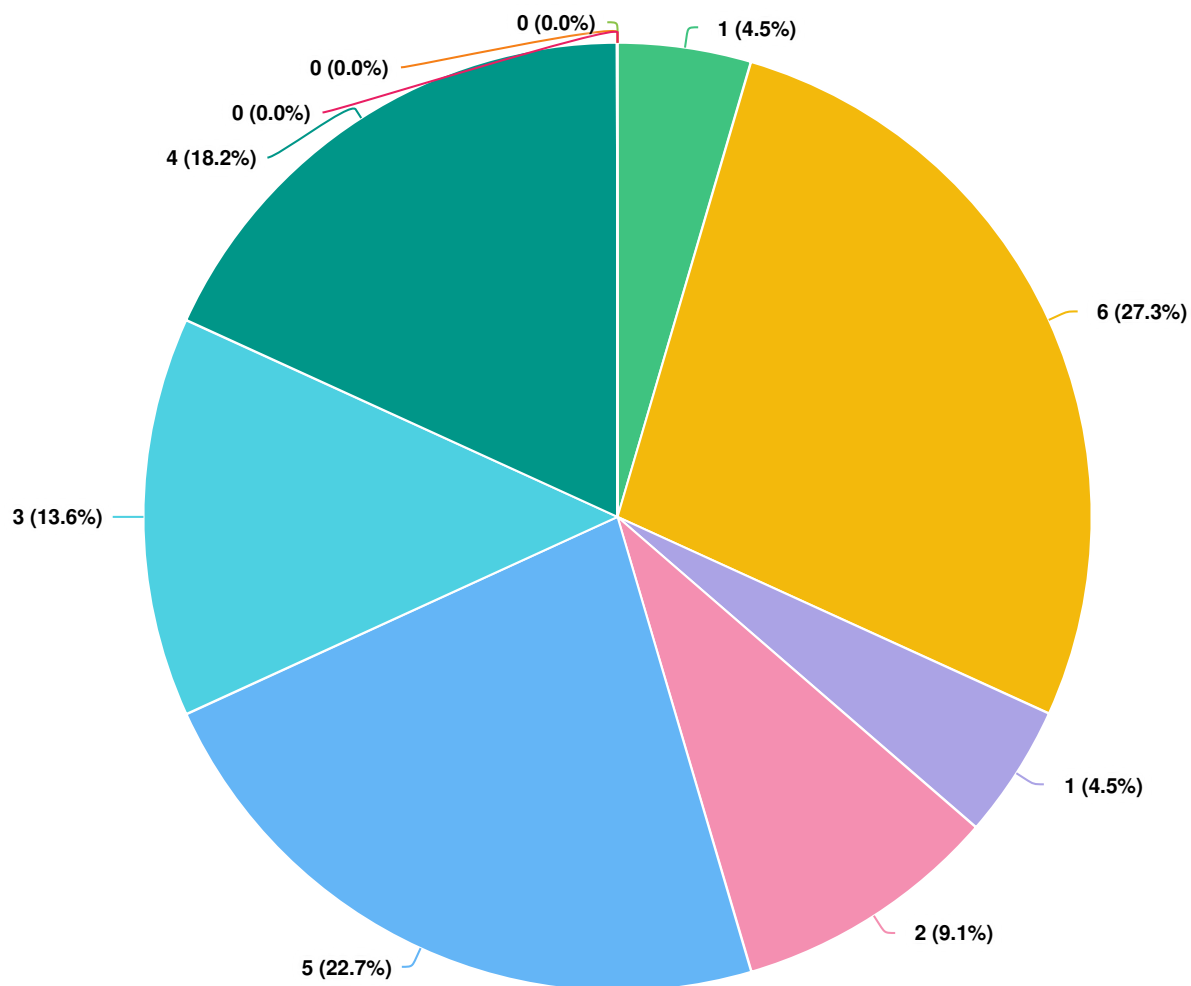


Question options

- Heterosexual/Straight
- Prefer not to say
- Gay/Lesbian
- Bi-Sexual
- Any other sexual orientation
- Other (please specify)

Optional question (21 response(s), 4 skipped)
Question type: Radio Button Question

Q15 Which age range are you in?

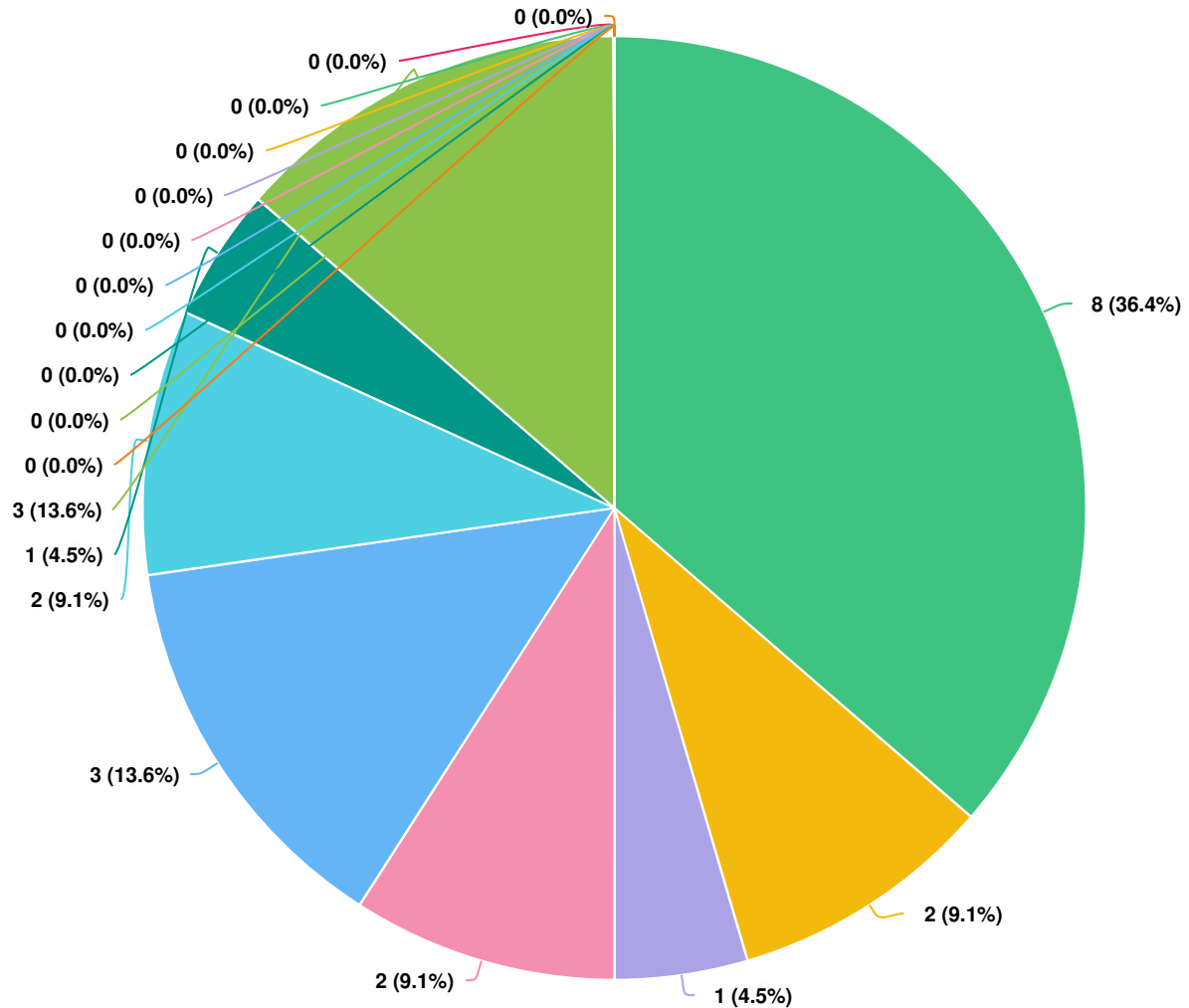


Question options

- 16 - 19
- 20 - 24
- 25 - 34
- 35 - 44
- 45 - 54
- 55 - 64
- 65 - 74
- 75 - 84
- 85+
- Prefer not to say

Optional question (22 response(s), 3 skipped)
Question type: Radio Button Question

Q16 | How would you describe your ethnic origin?

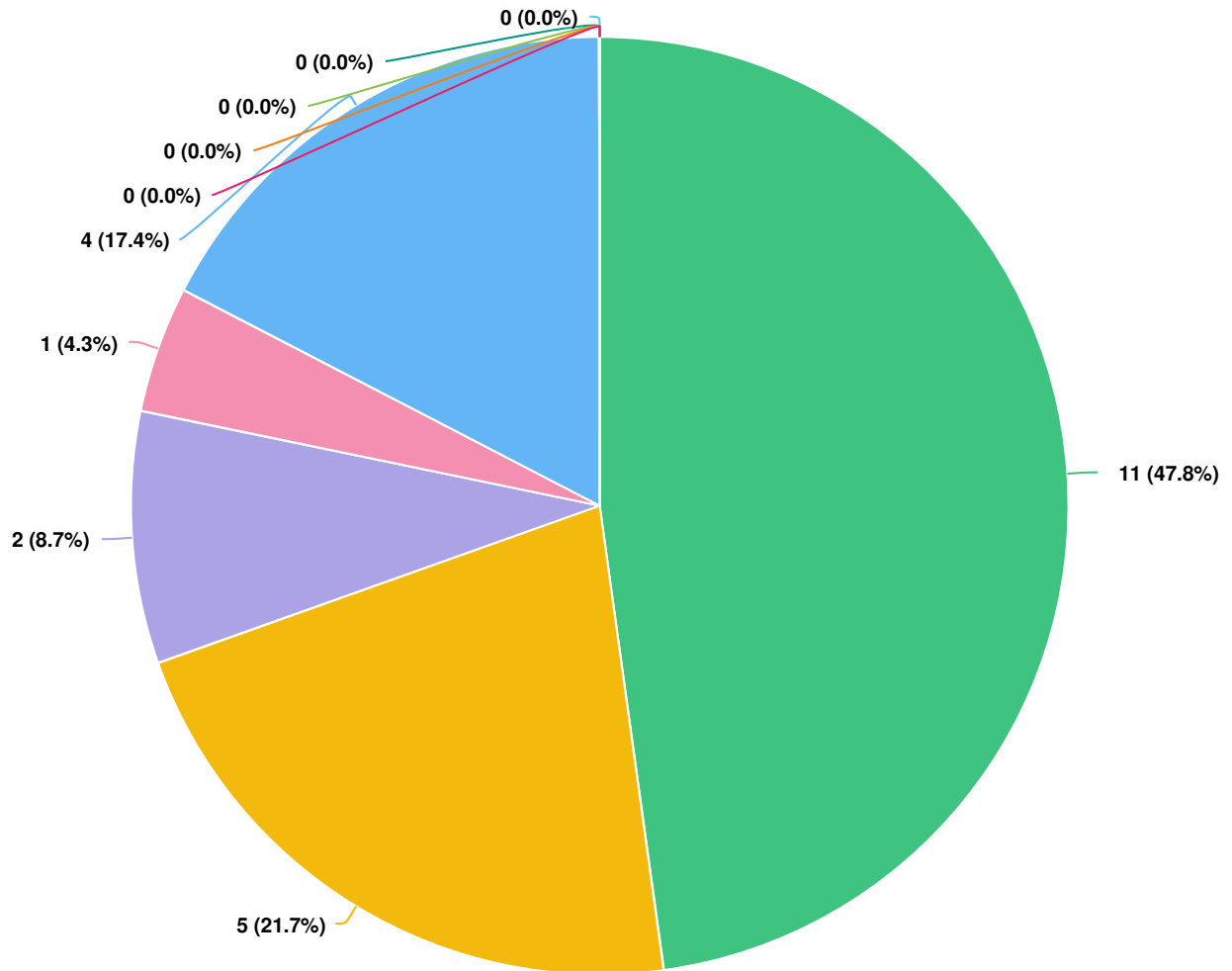


Question options

- White English / Welsh / Scottish / Northern Irish / British
 ● Pakistani
● Bangladeshi
● Black African
- Black Caribbean
 ● Any other Black background
● Arab
● Prefer not to say
● White Irish
- White Gypsy or Irish Traveller
 ● Any other White background
● White and Black Caribbean
- White and Black African
 ● White and Asian
● Any other Mixed / multiple ethnic background
● Indian
● Chinese
- Any other Asian background
 ● Other (please specify)

Optional question (22 response(s), 3 skipped)
Question type: Radio Button Question

Q17 Currently, what is your legal marital or registered civil partnership status?

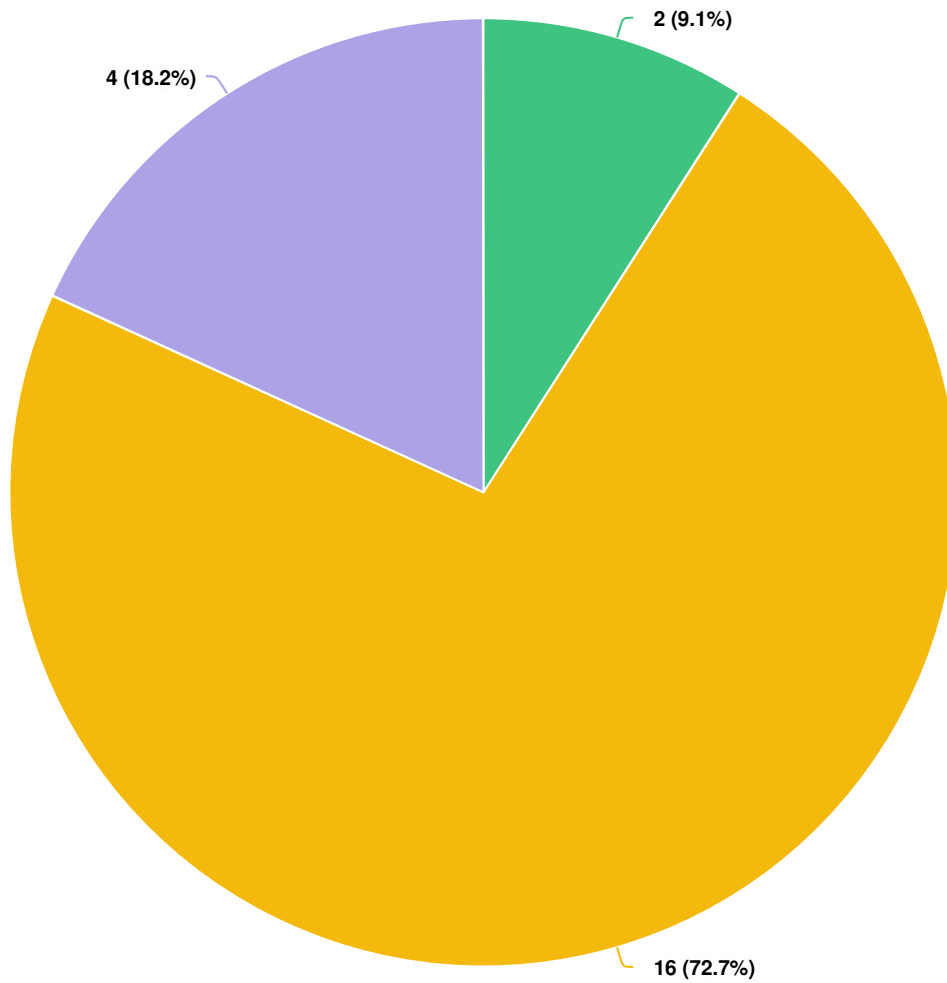


Question options

- Never married and never registered a civil partnership
 ● Married
● Divorced
● Widowed
● Prefer not to say
- In a registered civil partnership
 ● Separated, but still legally married
● Separated, but still legally in a civil partnership
- Formerly in a civil partnership which is now legally dissolved
 ● Surviving partner from a registered civil partnership

Optional question (23 response(s), 2 skipped)
Question type: Radio Button Question

Q18 Have you or your partner had a baby in the last 12 months?

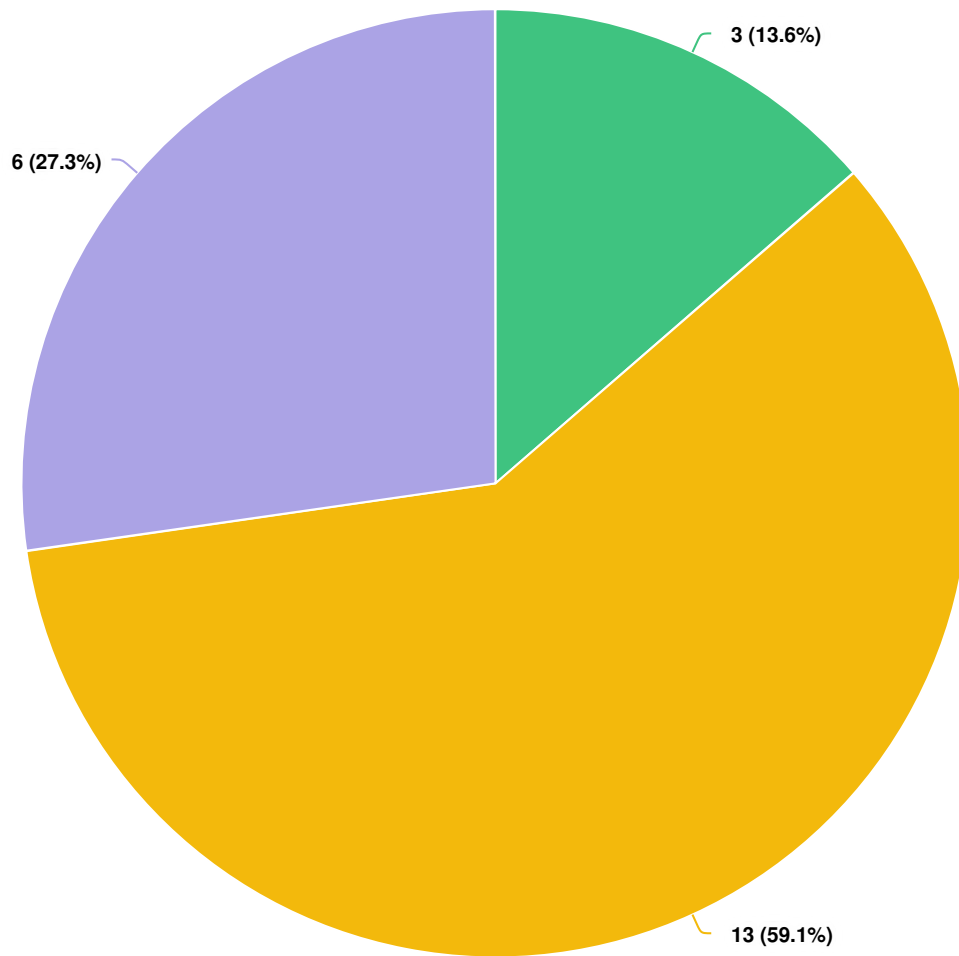


Question options

- Yes
- No
- Prefer not to say

Optional question (22 response(s), 3 skipped)
Question type: Radio Button Question

Q19 Do you consider yourself to have a disability?

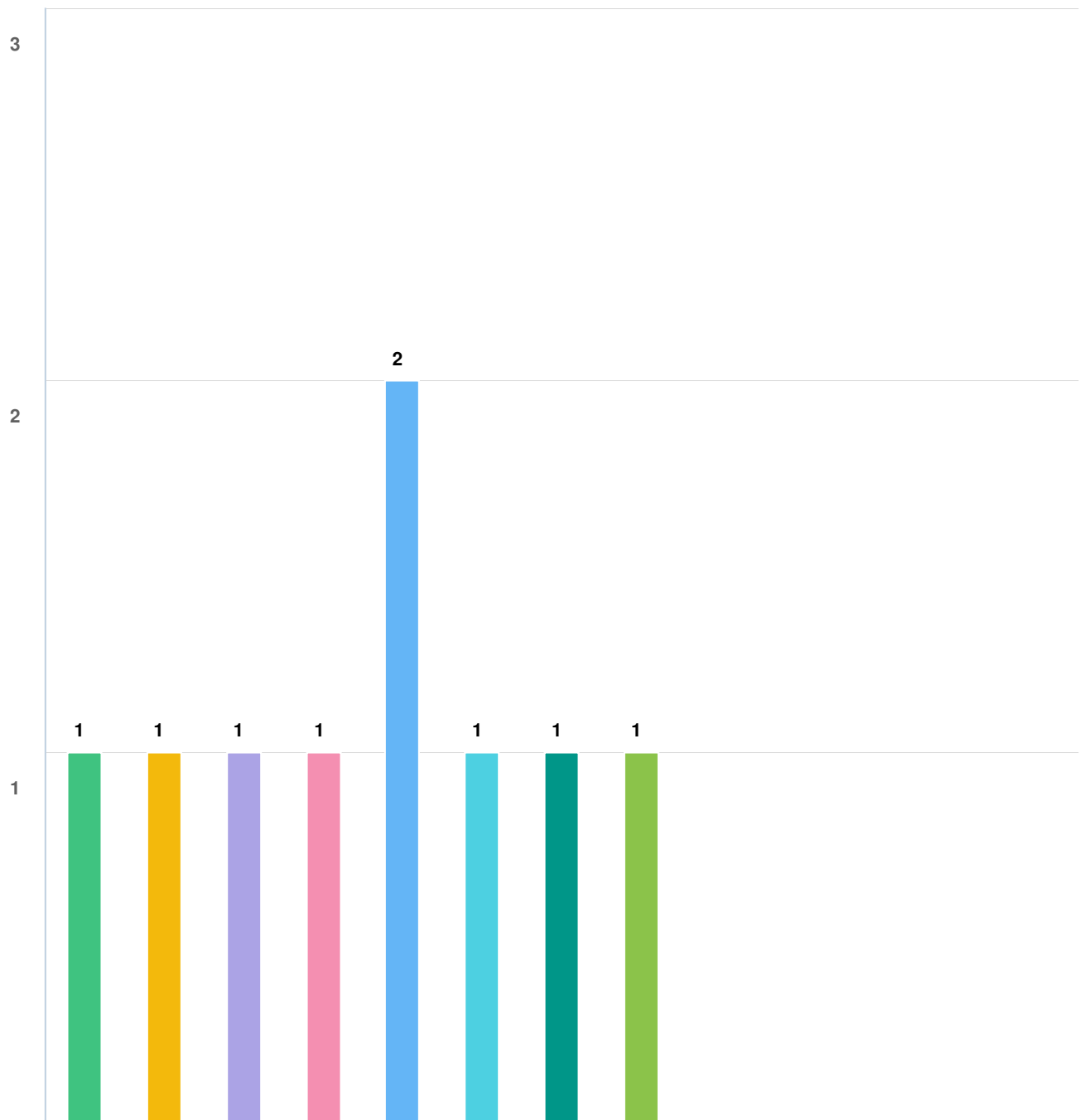


Question options

- Yes
- No
- Prefer not to say

Optional question (22 response(s), 3 skipped)
Question type: Radio Button Question

Q20 Please select the disability(ies) you consider yourself to have:

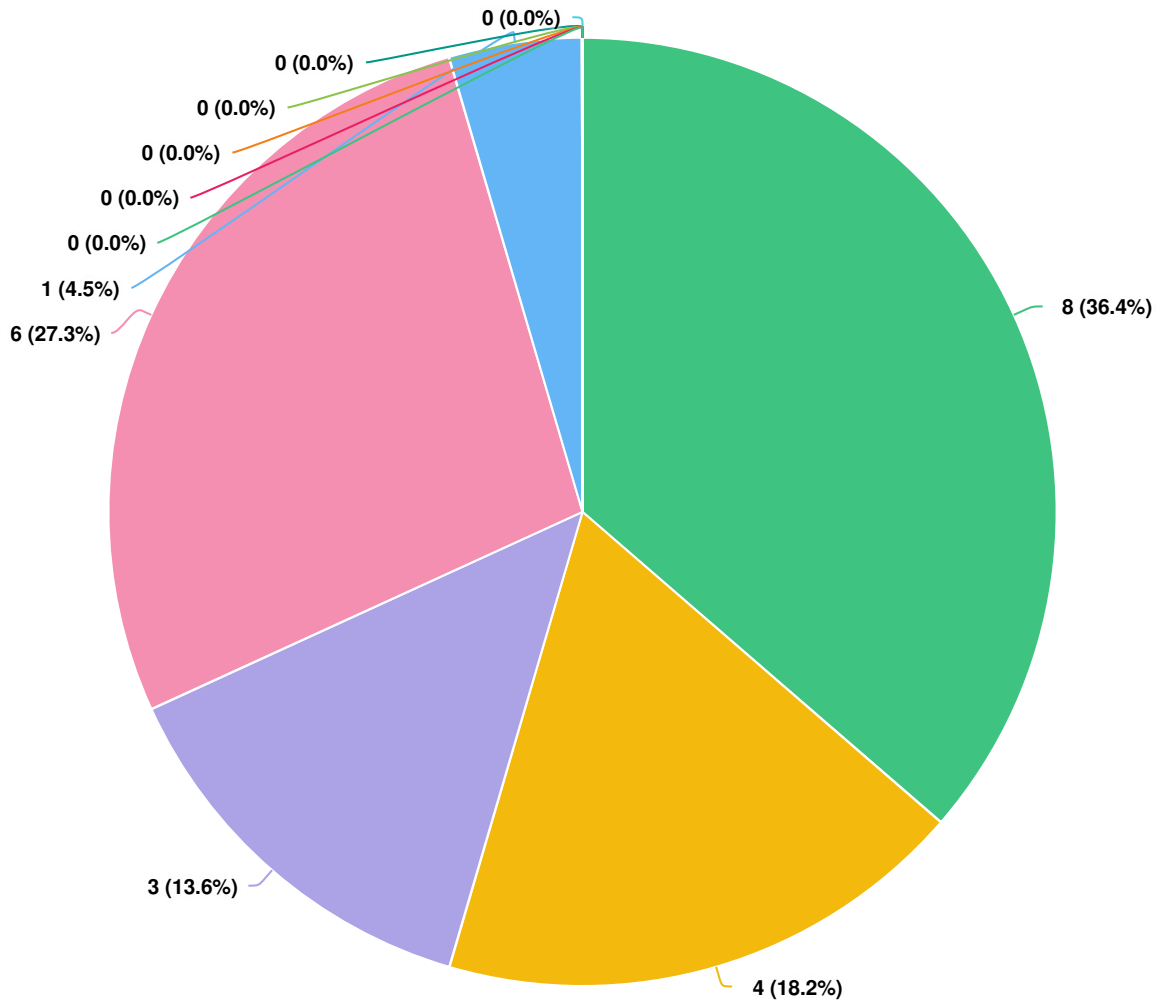


Question options

- Visually Impaired
- Mobility disability
- Learning disability
- Hidden disability: autism (ASD)
- Hidden disability: ADHD
- Hidden disability: Asthma
- Prefer not to say
- Other (please specify)
- Hearing Impaired
- Communication difficulty
- Hidden disability: Epilepsy
- Hidden disability: Diabetes
- Hidden disability: Sickle cell

Optional question (3 response(s), 22 skipped)
Question type: Checkbox Question

Q21 What is your religion?

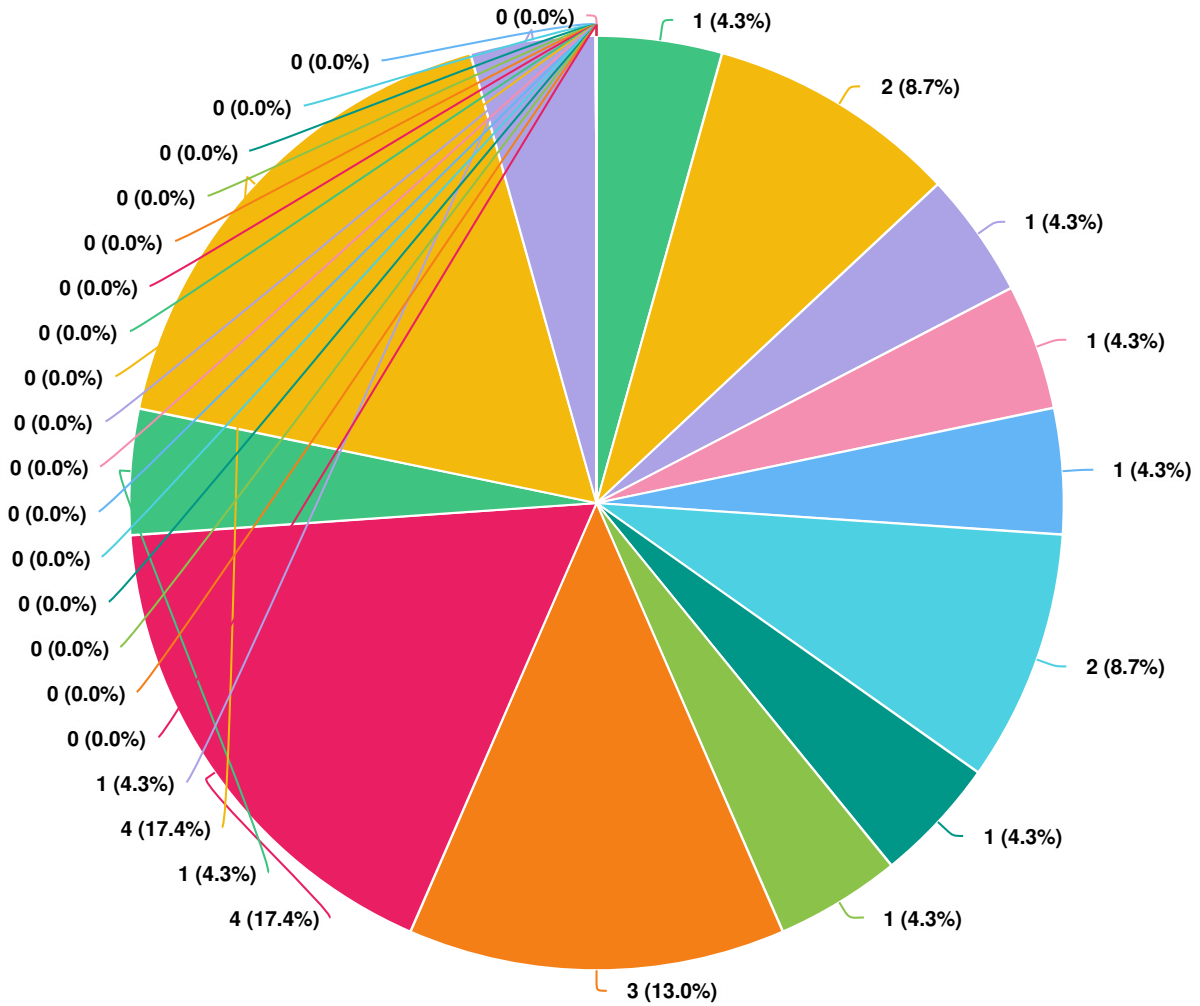


Question options

- Christian (including church of England/Catholic/Protestant and all other denominations)
- Muslim
- No religion
- Prefer not to say
- Other (please specify)
- Baha'i
- Buddhist
- Hindu
- Jain
- Jewish
- Sikh

Optional question (22 response(s), 3 skipped)
Question type: Radio Button Question

Q22 Which Croydon ward do you live in?



Question options

- Broad Green Coulsdon Town Kenley Norbury and Pollards Hill Purley and Woodcote
- Purley Oaks and Riddlesdown Selsdon and Addington Village South Croydon South Norwood
- Thornton Heath Waddon Prefer not to say Other (please specify) Addiscombe East
- Addiscombe West Bensham Manor Crystal Palace and Upper Norwood Fairfield New Addington North
- New Addington South Norbury park Old Coulsdon Park Hill and Whitgift Sanderstead Selhurst
- Selsdon Dale and Forestdale Shirley North Shirley South West Thornton Woodside

Optional question (23 response(s), 2 skipped)
Question type: Radio Button Question

LONDON BOROUGH OF CROYDON

REPORT:	CABINET
DATE OF DECISION	14 February 2024
REPORT TITLE:	Croydon Companies Supervision and Monitoring Panel - Update Report
CORPORATE DIRECTOR	Jane West, Corporate Director for Resources
LEAD OFFICER:	Ian Geary, Interim Head of Corporate Finance
LEAD MEMBER:	Cllr Jason Cummings, Cabinet Member for Finance
KEY DECISION?	No
CONTAINS EXEMPT INFORMATION?	No
WARDS AFFECTED:	All

1 SUMMARY OF REPORT

- 1.1 This report provides an update to Cabinet from the Croydon Companies Supervision and Monitoring Panel (CCSMP), established by Cabinet on 26 July 2021, as a response to the Report in the Public Interest 2020.
- 1.2 The report provides an update on the status of Council companies that exist but excludes Brick by Brick (Croydon) Limited (an update for that company has been reported to Cabinet separately in January).

2 RECOMMENDATIONS

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

- 2.1 To note the status of Croydon Council companies, excluding Brick by Brick (Croydon) Limited.

3 REASONS FOR RECOMMENDATIONS

- 3.1 This report provides an update on Croydon Council companies since the last update was presented to Cabinet on 24 May 2023.

4 BACKGROUND AND DETAILS

Overview of Croydon Companies

- 4.1** The Croydon Companies Supervision and Monitoring Panel (CCSMP) was established with the purpose of ensuring that the Council's strategic objectives are met, and to support the development of the Council's group of companies in line with the Council's regulations and strategic objectives.
- 4.2** A company matrix is attached as Appendix 1. It sets out a list of identified organisations:
- Wholly or partly owned by the Council;
 - Not owned by the Council, but where the Council has an interest and/or an officer of the Council is a Director of the company;
 - Property Management Companies where the Council owns a share of the freehold;
 - Charities where the council is a Trustee.
- 4.3** The previous update report recommended a delegation to approve that the Interim Director of Commercial Investment & Capital may seek the dissolution of Croydon Affordable Dwellings LLP and Croydon Affordable Homes (Taberner House) LLP (subject to formal decision making of the LLPs) and delegate authority to the Corporate Director of Resources and Section 151 Officer to take any steps to finalise and sign any relevant documents to give effect to a dissolution (if approved). This action has not yet been enacted, as it requires the agreement of the LLP boards.
- 4.4** The following section of this report provides an update on any significant company changes since the previous update report was presented to Cabinet on 24 May 2023.

Croydon Affordable Homes related companies

- 4.5** Croydon Affordable Housing Charity: this is not controlled by the Council but was established to hold a 90% share of the Limited Liability Partnerships (LLPs) that were set up to provide affordable housing from 344 leased from the Council. The board consists of two independent trustees and an officer nominated by the Council.
- 4.6** Work is underway to establish a separate bank account for this organisation and the two active LLPs. This has required a number of legal and administrative steps to be undertaken to ensure that the remit and controls regarding new bank accounts are fit for purpose. The purpose of the bank accounts is to enable the organisations to buy in their own services directly. Up until now all services have been provided by the Council. Areas where activity will be directly provided by the LLPs and charity include financial support and repairs and maintenance works.

- 4.7** Croydon Affordable Housing LLP and Croydon Affordable Tenures LLP are the two entities 90% owned by the charity that are delivering affordable housing. The submission of their 2022-23 accounts has been granted an extension from 31 December 2023 until 31 March 2024. This is to allow for the retrospective changes to their accounts in relation to the property leases between the Council and LLPs to be made once the Council's 2019-20 accounts have been certified.
- 4.8** Croydon Affordable Dwellings LLP and Croydon Affordable Housing (Taberner House) LLP are two further LLPs which are active but have never traded. Cabinet agreed to delegate the power to officers to progress the dissolution of these two entities on 24 May 2023, but the LLP board need to formally agree this course of action before it takes place.

Council Membership of other organisations

- 4.9** The board of Croydon Enterprise Loan Fund (CELF) Limited has agreed a resolution to wind up the company. The company has already ceased issuing new loans, and the Council is reviewing options regarding the residual loans held by CELF.
- 4.10** The Pegasus Academy Trust has been removed from the company matrix, following the resignation of the board position by a Council Director. This occurred after a review by CCSMP considered Council representation on this trust was no longer required.

CCSMP Forward Plan

- 4.11** The table below sets out the forward plan for the CCSMP over the year ahead:

February	CAH / CAT update The Queen's Quarter (former Taberner House site)
March	CAH / CAT update
April	Review of charities and parks covenants The Queen's Quarter (former Taberner House site)
May	CAH / CAT update
August	CAH / CAT update
October	CAH / CAT update
December	Annual review of declarations from Members in relation to outside bodies / companies / charities

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1** None.

6 CONSULTATION

6.1 None.

7. CONTRIBUTION TO COUNCIL PRIORITIES

7.1 Priority 4: Ensure good governance is embedded and adopt best practice. Sound governance processes are required to ensure that decision-making is transparent, and that effective control of our companies is in place to achieve the Council's objectives.

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

8.1.1 There are no direct financial implications arising from this report.

Approved by: Allister Bannin, Director of Finance (Deputy s151), 12/1/2024.

8.2 LEGAL IMPLICATIONS

8.2.1 The Council has the power to participate as a Member/ Shareholder of a company under the general power of competence (Localism Act 2011), which gives local authorities the power to do anything that individuals generally may do.

8.2.2 The companies, limited liability partnerships and charities listed in the Croydon Companies' matrix at appendix 1 are distinct legal entities from the Council and have their own governance arrangements included with their Articles of Association and any Member Agreements, which determine how decisions are made regarding those entities.

8.2.3 Comments approved by the Head of Commercial & Property Law on behalf of the Director of Legal Services and Monitoring Officer. (Date 18/01/2024)

8.3 HUMAN RESOURCE IMPLICATIONS

8.3.1 There are no direct human resource implications arising from this report

Comments approved by Dean Shoesmith, Chief People Officer (Dated: 4/1/2024)

8.3 EQUALITIES IMPLICATIONS

8.3.1 There are no direct Equalities implications arising from this report.

Comments provided by Helen Reeves, (Interim) Head of Strategy of Policy (Date 04/01/2024)

9. APPENDICES

9.1 Appendix A: Croydon Companies Matrix – January 2024

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**LONDON BOROUGH OF CROYDON -
COMPANY MATRIX**

Appendix 1

Companies wholly or partly owned by the London Borough of Croydon

Company Name	Company Number	Status	Company status	Services Provided/ Purpose	Council's percentage shareholding (NB if not 100%, describe how council exercises rights e.g. golden shares)
BRICK BY BRICK CROYDON LIMITED	9578014	Active	Private Limited company	41100 - Development of building projects 41201 - Construction of commercial buildings 41202 - Construction of domestic buildings 68100 - Buying and selling of own real estate	100%
<u>Croydon Affordable Housing Linked Companies</u>					
LONDON BOROUGH OF CROYDON HOLDINGS LLP	OC419595	Active	Limited liability partnership	82990 - Other business support service activities not elsewhere classified	99% (The other 1% is Croydon Holdings Ltd)
CROYDON HOLDINGS LIMITED	10999104	Active	Private limited Company	64209 - Activities of other holding companies not elsewhere classified	Ownership of shares – 75% or more
CROYDON AFFORDABLE HOUSING *NOT a Council owned company	10925445 charity no: 1175493	Active	Private Limited Company by guarantee without share capital use of 'Limited' exemption	68209 - Other letting and operating of own or leased real estate	0%
CROYDON AFFORDABLE HOMES LLP	OC419596	Active	Limited Liability Partnership	Independent LLP – 96 former ETA	10%
CROYDON AFFORDABLE TENURES LLP	OC423791	Active	Limited liability partnership	Independent LLP – 250 newly purchased	10%
CROYDON AFFORDABLE DWELLINGS LLP	OC424671	Active (but not trading)	Limited Liability Partnership	Independent LLP	10%
CROYDON AFFORDABLE HOMES (TABERNER HOUSE) LLP	OC420058	Active (but not trading)	Limited Liability Partnership	Independent LLP - Block 2 Taberner house - affordable housing element (never transferred)	10%
<u>Taberner House Linked Company</u>					
CROYDON CENTRAL MANAGEMENT COMPANY	11088383	Active (not trading)	Private limited Company	68320 - Management of real estate on a fee or contract basis	100%
CROYDON TH LTD	11781430	Active (not trading)	Private limited Company	82990 - Other business support service activities not elsewhere classified	100%
CROYDON TH COMMERCIAL LTD	11781424	Active (not trading)	Private limited Company	82990 - Other business support service activities not elsewhere classified	100%
<u>Local Authority Trading Companies</u>					
YOURCARE (CROYDON) LIMITED	10809317	Liquidation	Private limited Company	47190 - Other retail sale in non-specialised stores 47749 - Retail sale of medical and orthopaedic goods in specialised stores (not incl. hearing aids) not elsewhere classified	100%
<u>Other Organisations</u>					
CAPITAL LETTERS (LONDON) LIMITED	11729699	Active	Private company limited by guarantee without share capital	68201 - Renting and operating of Housing Association real estate 68209 - Other letting and operating of own or leased real estate	No Member with significant control
REAL LETTINGS PROPERTY FUND LIMITED PARTNERSHIP	LP015265	Active (exiting partnership)	Limited Partnership	Affordable Properties Investment Fund	51%
REAL LETTINGS PROPERTY FUND 2 LIMITED PARTNERSHIP	LP017752	Active (exiting partnership)	Limited Partnership	Affordable Properties Investment Fund	15%

Companies not owned by the Council, but where a Council has an interest, or a Council officer is a Director

Company Name	Company Number	Status	Company status	Services Provided/ Purpose	Council's percentage shareholding (NB if not 100%, describe how council exercises rights e.g. golden shares)
CROYDON ENTERPRISE LOAN FUND LIMITED *NOT a Council owned company	6160354	Active	Private company limited by guarantee without share capital	64921 - Credit granting by non-deposit taking finance houses and other specialist consumer credit grantors	0
CROYDON YOUTH ZONE *NOT a Council owned company	10405820	Active	Private Limited Company by guarantee without share capital use of 'Limited' exemption	82990 - Other business support service activities not elsewhere classified	0

Property Management Companies that the Council has an interest in by virtue of ownership of the freehold

Landlord	Tenure	Address
LBC	Share of Freehold	(First Floor & Second Floor) Flat2, 8 Quadrant Road,
N/A	Lease / Share of Freehold	(First floor) 121 Morland Road
Hillside House Freehold Limited Company number 05154831 G R Potton & Co., 2 Harestone Valley Road, Caterham Surrey CR3 6HB (No Council representative) N/A	Share of Freehold	(First floor) 46a Downs Court, Purley
	Share of Freehold	(Ground Floor) Flat A 208 Croydon Road, Caterham
	Share of Freehold	118A BRIGHTON ROAD
52 – 54 Cordrey Gardens (Freehold) Limited (Co Number: 4112000) of Stoneham House, 17 Scarbrook Road, Croydon CR0 1SQ (Council Director - Valerie Yemoh) LBC, together with Daniele Festa are the joint freeholders of the property and thus the landlord. LBC are the joint freeholder for 5 and 8 Stanley Court's freehold title.	Share of Freehold	54 Cordrey Gardens 1st (garage)
	Share of Freehold	8 Seneca Road
	Share of Freehold	8 STANLEY COURT
Sivanayagam Uthayavasan and The Mayor and Burgesses of the London Borough of Croydon LBC Smart Equity Ltd 80 Gibson Hill London SW16 3J5 35 Lodge Road Croydon Ltd Company number 01627855 Flat 4, 35 Lodge Road Croydon CR0 2PL (No Council representative)	Share of Freehold	90a Park Avenue
	Share of Freehold	Flat 1. 8 Quadrant Road, Thornton Heath,
	Share of Freehold	Flat 2, 53 Headcorn Road
	Share of Freehold	Flat 5, 35 Lodge Road

Charities where the Council is a Trustee

Charity Name	Charity No.	Charity status	Trustees	Charitable objects	Council's Membership
THE WETTERN TREE GARDEN TRUST	302992	Trust	London Borough of Croydon	TO HOLD AND KEEP UP THE WETTERN TREE GARDEN AS AN OPEN SPACE FOR THE RECREATION AND ENJOYMENT OF THE PUBLIC. A RECREATION GROUND MORE PARTICULARLY TO ENSURE THAT THE NEEDS OF VERY YOUNG CHILDREN SHALL RECEIVE CONSIDERATION.	100%
QUEENHILL ROAD PLAYGROUND	200242	Other	London Borough of Croydon	LAND TO BE USED AS PUBLIC RECREATION GROUND.	100%
ROTARY FIELD, PURLEY	200245	Other	London Borough of Croydon		100%
WOODCOTE VILLAGE GREEN	200227	Other	London Borough of Croydon	A RURAL PARK OR VILLAGE GREEN AND RECREATION GROUND FOR A PUBLIC PROMENADE BY WAY OF A MEMORIAL TO THE FRENCH SOLDIERS WHO FELL IN THE GREAT WAR.	100%
WILLIAM WEBB, LAND FORMING PART OF THE PROMENADE DE VERDUN	200228	Other	London Borough of Croydon		100%
GARWOOD'S GIFT IN CONNECTION WITH LLOYD PARK	302981	Other	London Borough of Croydon	OPEN PUBLIC GROUNDS FOR THE RESORT AND RECREATION OF ADULTS, PLAYGROUNDS FOR CHILDREN AND YOUTHS, PLAYING FIELDS FOR EDUCATIONAL PURPOSES, A NURSERY GARDEN. FOR PROVIDING AND PLACING SEATS IN PUBLIC PLACES AND FOR REPAIRING, PAINTING AND MAINTAINING SAME.	100%
CHARITY OF JAMES SPURRIER WRIGHT	239257	Other	London Borough of Croydon	RECREATION GROUND AND PARK	100%
THE BETTS MEAD RECREATION GROUND	304960	Other	London Borough of Croydon		100%
THE [CIVIC] MAYOR OF CROYDON'S CHARITY FUND	1042479	Trust	Deva Pannoosami (Chair); Julie Agbowu; Alisa Flemming; Toni Letts	Supporting other charities - 3 charities for 22/23 - Croydon Sickle Cell & Thalassemia; African Caribbean Leukaemia Trust; Waggy Tails Club	0%

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

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