

For General Release

REPORT TO:	CABINET - 13 JULY 2020
SUBJECT:	Responding to the Local Government Financial Challenge
LEAD OFFICER:	Jo Negrini, Head of Paid Service Lisa Taylor, S151 Officer Jacqueline Harris Baker, Monitoring Officer
CABINET MEMBER:	Councillor Tony Newman, Leader of the Council Councillor Simon Hall, Cabinet Member for Finance & Resources
WARDS:	ALL
CORPORATE PRIORITY/POLICY CONTEXT/AMBITIOUS FOR CROYDON: Covid-19 has had an unprecedented impact on a global scale, including the UK and Croydon. Our response has been wide ranging, as will the recovery, covering all aspects of the Corporate Plan, including: <ul style="list-style-type: none">• People live long, healthy, happy and independent lives: through our public health messaging, adult social care and support for vulnerable residents• Our children and young people thrive and reach their full potential: through our support for schools and families, particularly the most vulnerable• Business moves here and invests, our existing businesses grow: by paying government grants and support with business rates	
FINANCIAL IMPACT: Covid-19 has had a significant impact on both the Council's financial position, as well as the financial position of residents and businesses across the borough. This report outlines the actions being taken to reduce the substantial budget gap forecast as a result of Covid-19.	
KEY DECISION REFERENCE NO.: 2320CAB The decision may be implemented from 1300 hours on the 6th working day after the decision is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors.	
The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below	
1. RECOMMENDATIONS	
1.1 Note the extraordinary financial context, as set out in the report;	
1.2 Endorse the further actions and governance arrangements which have been put in place, outlined in the report, to ensure the Council delivers within the 2020/21 approved budget;	
1.3 Note the statements from the Head of Paid Service, S151 Officer and Monitoring Officer; and	

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| 1.4 | Agree the principles informing actions to deliver within the 2020/21 approved budget. |
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2. EXECUTIVE SUMMARY

- 2.1 Reports to the Cabinet meetings in May and June 2020 provided details on the actions taken by the Council to respond to Covid-19 and support our local residents and businesses.
- 2.2 The pandemic has had a dramatic effect on Croydon, and the entire country. The public health emergency has quickly turned into an economic emergency. This is affecting businesses who have seen reductions in sales and cash flows due to the lockdown. It is affecting residents, with many furloughed on lower salaries and many losing their employment entirely. And it is affecting the council. As well as changing the way we deliver services, the way our staff operate, and how we work across the community, Covid-19 has had a dramatic impact on our financial position.
- 2.3 We have seen increases in demand and costs to support vulnerable residents. This will increase further as residents need support with housing and debt issues caused by the economic impact. This increased expenditure is coupled with reductions in income, creating an unprecedented budget gap in our 2020/21 forecast.
- 2.4 Nationally, local government has received approximately £4bn of additional funding. Whilst the additional funding is welcome, it is not enough to cover the budget challenges being identified by councils all over the country, with an estimated shortfall in excess of £6bn.
- 2.5 The council is taking urgent action to address the financial challenges, whilst continuing to prioritise the Administration's priorities and manifesto commitments. This report sets out our approach and provides a summary of the projects that have been established as immediate actions to reduce expenditure and increase income.

3. BACKGROUND

- 3.1 On 2 March 2020, the Full Council unanimously approved the budget for the 2020/21 financial year.
- 3.2 The budget reports were presented to the Cabinet on 24 February 2020. The report referenced the financial struggles of local authorities as a result of austerity measures. Local authorities across the country have had to balance rising demand with year on year real term cuts to grant funding from government. Croydon is therefore not alone in needing to deliver savings to protect front line services. However, Croydon does face some unique challenges.
- 3.3 Croydon is one of the capital's largest boroughs by population and, although situated in outer London, it has many Inner London issues that impact its

budget. The effects of welfare reform, Universal Credit and the rising cost of poor quality rental property have seen large numbers of people move from central London to Croydon in search of cheaper accommodation, care and living costs. This, however, has subsequently resulted in Croydon seeing higher levels of poverty and homelessness, and need is becoming more complex.

- 3.4 Despite the challenging pressures facing Croydon, the Council has been consistently working to improve services with reducing budgets. Croydon is leading the way by looking to new and innovative ways of delivering public services. Central to this has been the borough's localities work with its focus on partnership, early help and prevention; providing targeted support to residents who need help the most, at the earliest opportunity, with a view to avoid crisis and the need for intensive intervention wherever possible.
- 3.5 The Council has also been focused on strengthening our financial position in the medium to long term. The 2020/21 budget included proposals to increase reserves by £5m (a nearly 50% increase) and an increased contingency budget (from £2m to £3.7m).

4. COVID-19 IMPACT

- 4.1 Cabinet reports in May and June set out the unprecedented impact that Covid-19 has had in Croydon, as well as across the country and globe.
- 4.2 There has been significant additional pressure on services including:
- Adult social care, where approximately 15,000 residents have been identified as clinically vulnerable, and required to 'shield' at home. Vulnerable residents have also been minimising contact due to their age or medical condition. This has created a significant increase in cases for Adults Services.
 - Public health, which has a statutory function to coordinate responses to pandemics, with advice and guidance across every service, organisation and community.
 - Homelessness, where the council sourced additional emergency accommodation for all rough sleepers. The economic impact has also resulted in an increase in people needing support and advice in relation to housing, benefits and debt.
 - Education, where schools have need support to operate radically different following the closure to all but vulnerable children and children of key workers, and then plan for reopening with social distancing requirements to maintain.
- 4.3 Covid-19 has had a threefold impact on the Council's financial position:
- Additional demand in a number of services (as above):
This has resulted in higher than budgeted spend forecasts, with the Government appearing to backtrack on previous commitments to support all expenditure resulting from Covid-19.
 - Loss of income:
The lockdown has led to a dramatic reduction in income in service areas such as leisure and parking. This is affecting all councils and the financial pressure has been highlighted to government by London Councils and the

Local Government Association. However, to date, the government has offered no support in this area.

- Delay in realising savings:
The pandemic has required an emergency response, with resources redeployed to support key priority one services, and the additional requirements placed on the Council. The 2020/21 budget included a number of savings based on service transformation, which has not been possible during an emergency response.

- 4.4 The Government has recognised the impact that Covid-19 has had on public services across the country and announced £3.2bn of additional funding for local government in two tranches during the pandemic. A further £600m of funding was confirmed to support infection control measures within care homes. Croydon Council's share of this funding equates to £19.9m and £4.12m for Care Homes.
- 4.5 The Local Government Association and London Councils has identified that this funding, whilst welcome, covers only a fraction of the financial impact on local government. Every local authority, therefore, is facing a significant funding shortfall, including Croydon. As set out above, this issue has been repeatedly raised with government, including with evidence provided through the regular financial returns provided to the Ministry for Housing, Communities and Local Government.
- 4.6 Despite repeated statements from the Secretary of State and Minister for Regional Growth and Local Government that local government will be funded for all costs arising as a result of Covid-19, this is not forthcoming. There is therefore a substantial risk that the government will not fund all costs incurred as a result of Covid-19 and we know that our costs will be greater than the funding allocated to date.
- 4.7 Unlike national government, local authorities are unable to borrow to finance the additional service costs resulting from the Covid-19 response. Services must be delivered within the budget envelope approved by Full Council. As a result, urgent action has been taken to identify opportunities to reduce spending across the council.
- 4.8 As at the end of June 2020, the cumulative impact of additional spending, unachievable savings, and reduced income resulted in an overspend forecast of £65.4m for 2020/21 (see table below). This represents 8% of the budgeted gross expenditure, or 20% of the budgeted net expenditure. Whilst this forecast is based on the best estimates at the time of writing, the impact of Covid-19 continues to develop and the position may, therefore, get worse.

	£m
Additional Expenditure	26.293
Unachieved Savings	31.747
Lost Income	27.308
Total	85.348
Funding	-19.926
Gap	65.422

4.9 Local government was already underfunded before Covid-19, and we have consistently delivered savings, efficiencies and transformation. However, the pandemic means that we are spending more have seen income reduce and been unable to deliver our planned savings. Urgent action is therefore required to respond to this unprecedented financial challenge. The Finance Review Panel are working on this with a number of projects focused on immediate action. (see section 6)

5. OUR APPROACH

5.1 Our Corporate Plan is focused on providing the services and support that enable everyone to have the opportunity to succeed, particularly the most vulnerable. Covid-19 has had a dramatic impact on our communities, but it is clear that the impact is not equal. Many of our most vulnerable have been impacted the most. Our Corporate Plan commitments, therefore, must remain as our key focus. The Corporate Plan has always recognised that this would need to be achieved with less resources and significant change within the organisation, and with the way we work with our partners.

5.2 With this focus, a number of clear principles have been agreed with the Leader and Cabinet to inform our approach:

- We must deliver the same outcomes with less money.
Our residents and businesses continue to need support. The outcomes will, however, need to be delivered differently. There will be a strong focus on the delivery of integrated work with partners.
- Our localities approach must meet the needs of residents and communities more effectively and efficiently
Our transformation in this area will be accelerated and includes a greater focus and shift in resources to prevention and early intervention, ensuring a sustainable base for our services and tackling inequalities across Croydon.. Our localities approach enables us to harness neighbourhood action, mutual aid groups, voluntary and community groups – all coming together in a grassroots network to support vulnerable people.
- We must not allow our statutory services, particularly Children’s Services, to move backwards
- It is critical that we continue to support statutory services and social workers, with case work managed effectively

5.3 Whilst the scale of the financial challenge means that there will be difficult decisions, which will impact on our staff and the way we deliver our services,

we remain committed to delivering the commitments within our Corporate Plan, which drew on the ambitions of the administration as set out in their manifesto.

6. OUR WORK TO DATE

- 6.1 There has been a sustained reduction in local government funding by central government over the last decade. This has placed significant pressure on councils across the country to reduce income and identify new and increased income sources. The Council is therefore always looking at opportunities to deliver improved outcomes more efficiently. The scale of the challenges created by Covid-19, however, mean that we must deliver more savings, and faster than planned.
- 6.2 In developing the 2020/21 budget, as approved by council, the Executive Leadership Team utilised Agile methodology to run a series of sprint sessions to identify a wide range of savings and efficiency opportunities. Sprint sessions covered a range of areas and will continue to be a method utilised.
- 6.3 These sessions informed a number of the budget proposals within the 2020/21 budget. However, as set out above, the ability to deliver these savings has been impacted by Covid-19, with resources diverted to the pandemic response. As we move to the recovery phase, actions have been taken to review these as well as identify further opportunities for savings to respond to the financial challenge set out above.

Finance Review Panel

- 6.4 The Council has established a Finance Review Panel to undertake a full root and branch review of the council's financial governance, strategy and planning, leadership, decision making, management and group company structures.
- 6.5 The Finance Review Panel has an independent chair, Duncan Whitfield. Mr Whitfield is the Strategic Director of Finance and S151 Officer at the London Borough of Southwark. Other external appointments to the panel are Matthew Kershaw (Chief Executive at Croydon Health Services NHS Trust) and Debbie Warren (Chief Executive at the Royal Borough of Greenwich). These members bring external expertise and constructive challenge to the process, alongside our External Auditors who have supported the approach, attend each panel and as part of their role have the opportunity to feed in their views to the panel.
- 6.6 The Cabinet Member for Finance and Resources and the Deputy Leader and Cabinet Member for Gateway and Homes are members of the Panel. The role of the Finance Review Panel is to make recommendations to the Leader and Cabinet Member for Finance and Resources and, through them, to Cabinet.
- 6.7 As part of the review, the Panel has recommended short term options to minimise spend and where possible generate income. It will also review options for refreshed savings proposals to deliver in year 2020/21.
- 6.8 A number of projects have been established under the finance review programme to deliver immediate actions to tackle the financial challenge across the following areas:

- Staffing
- Cross cutting areas
- Assets
- Contracts
- Income
- Demand management

- 6.9 The nature of our services mean that staff costs account for a significant proportion of our net expenditure and therefore any programme to deliver significant savings needs to consider staffing. A recruitment freeze has been initiated and includes permanent, fixed term and agency/consultant staff. We are also reducing the numbers of agency staff in all areas unless work is demonstrably essential and cannot be delivered otherwise. Departments have also set out plans for permanent 15% reduction in their establishment. Priority has been given to the deletion of vacant posts and termination of agency contracts. This is also being supported by a targeted voluntary redundancy scheme option, part-time options, flexible retirement, and redeployment in order to minimise compulsory redundancies. The formal 45 day consultation on these proposals commenced on 6 July.
- 6.10 Budget holders have been instructed to stop all non-essential expenditure, such as travel, overtime and non-essential supplies. Any planned projects will be reviewed and typically deferred unless they contribute net savings. All savings in the 2020/21 budget are being reviewed and additional action taken to deliver these. Any growth within the budget is also being reviewed and where possible deferred. Also being reviewed are savings proposals that were worked up for the 2020/21 budget but not incorporated for various reasons.
- 6.11 All departments have been asked to identify additional proposals for in year spending reductions. These may be efficiencies or service reductions, as well as any income generating proposals. Income generating services will also be reviewing their fees and charges. We are also exploring the option to apply to the Ministry for Housing, Communities and Local Government to further capitalise revenue expenditure, recognising the extraordinary situation due to Covid-19.
- 6.12 Staff have adapted well to working from home, and regardless of the timescales for the relaxing of lockdown measures, we anticipate a higher proportion of staff working from home will continue for the foreseeable future. We are therefore identifying savings that result from this consolidated new ways of working, and look at opportunities to accelerate the digitisation of council services.
- 6.13 One of Croydon's strengths is the relationships we have with our incredible local partners. These partnerships and strong relationships have been particularly effective in supporting our most vulnerable residents during the pandemic.
- 6.14 These partnerships will continue be the foundation of the changes we are making. With some of these practices already in progress, we are accelerating the implementation of our localities model, which will deliver services according to the different needs and demands of our communities across Croydon. The localities approach has been in development and we will implement new structures to mainstream this approach across services. This will be combined

with further work to look at opportunities for greater partnership working with the NHS and community partners to deliver a new model of integrated care for vulnerable residents on a locality basis and in the longer term, and options for shared services.

- 6.15 The council has a large capital programme and we are reviewing all expenditure. In particular we will be looking at what expenditure can either be reprofiled or stopped.
- 6.16 Our placements represent a very substantial cost for the Council. Accordingly, there will be a significant focus on reviewing placements, including stepdown, close financial management of placements and improved end-to-end processes.

Programme Management Office

- 6.17 A new programme management office (PMO) has been established to coordinate delivery of a number of different programmes and projects.
- 6.18 The PMO has brought together staff from across the organisation with a range of key skills, including multiple project management methodologies, financial analysis, user experience, business process reengineering. The team provide the resource and expertise to support ELT and Directors in driving programme and project performance, track and monitor progress, and provide regular reports and recommendations.
- 6.19 The PMO will use Agile programme and project management by default, but can utilise other methodologies where appropriate. The Agile method ensures that the projects have clear objectives and measureable performance indicators, but retain flexibility to adapt and overcome challenges swiftly as the project is delivered.
- 6.20 The PMO has established or is supporting the following programmes:
- Finance review
 - Localities implementation
 - Systems and process improvements
 - Sustainability
 - Equalities and inclusion
- 6.21 A financial tracker and dashboard have been created to provide clear, regular updates to the Finance Review Panel. This approach ensures that we are tracking performance and financial impact at every step.

7. STATEMENT BY THE HEAD OF PAID SERVICE

- 7.1 As recent reports to Cabinet have demonstrated, the Council responded rapidly to the impact of Covid-19 on our most vulnerable residents and communities.
- 7.2 Now the Council is responding rapidly to the impact of Covid-19 on local government finances, which is a significant risk to our ongoing service delivery. Failure to act would create an unsustainable budget which would ultimately lead to poorer outcomes for our residents.

- 7.3 This report sets out the wide range of actions being taken to ensure the Council delivers our statutory and non-statutory services within the budget envelope agreed by Council. We will deliver these outcomes differently, and the changes that we need to make will be difficult. However, we must change in order to overcome this unprecedented financial situation and still deliver the best outcomes for our residents at a time when they will need more support than ever.
- 7.4 I, along with my Executive Team, are very proud of how our staff have adapted and innovated in our response to the Covid-19 pandemic. We will continue to adapt and innovate as we deliver the proposals outlined in this report. The result will be a sustainable organisation that remains focused on resident outcomes, working with partners and the community themselves, to adapt and respond to the specific needs in different localities.

8. STATEMENT BY THE S151 OFFICER

- 8.1 In the budget report to Cabinet on 24 February 2020, my statutory Section 151 Officer statement included the following:

“These continue to be very challenging times for local government and therefore it is certain that further difficult choices will be required over the coming budget cycle if the Council is to maintain a continued solid financial foundation”.

- 8.2 This statement was made on the basis of the challenging financial position already facing local government following years of sustained reduction in Government funding. The Covid-19 pandemic has brought unprecedented financial challenges that has left all councils facing a substantial budget shortfall in 2020/21. As well as the additional costs in supporting vulnerable residents, the lockdown resulted in a dramatic reduction in revenue income and our inability to deliver proposed savings.
- 8.3 Like many councils, this has created a substantial overspend in our budget outturn forecast for 2020/21. In my role as the Statutory S151 Officer, I am required to take action to control expenditure where:
- A council forecasts that expenditure exceeds available resources
 - There is no credible plan in place to bring spending within the resource envelope
- 8.4 This report outlines what, in my opinion, is a credible plan to reduce our spending in year and close the budget gap. This plan must be implemented as a matter of urgency. This will require difficult decisions, and for us to make changes at pace.
- 8.5 We will be closely monitoring progress against the various projects, as well as overall expenditure. I will be providing regular reports to the Finance Review Panel and to all Councillors. If we fail to deliver the actions and bring expenditure within our budget envelope, I will be required to take further action in my role as statutory S151 Officer and issue a S114 notice.

9. STATEMENT BY THE MONITORING OFFICER

- 9.1 My fellow statutory officers have emphasised the unprecedented situation that is facing local government, and therefore Croydon Council.
- 9.2 This report has outlined our plans to address the financial challenges created by Covid-19. Critical to our success will be effective resourcing and monitoring of the projects and changes required.
- 9.3 We have created a dedicated programme management office, with the skills and expertise to support us to deliver change at pace. They have swiftly established a large number of programmes and projects with named sponsors and lead Directors to manage delivery. Performance dashboards and trackers are in place so that we can easily see progress against plan, and to take action to address any delays or shortfalls.
- 9.4 The Finance Review Panel has been established to ensure strong political oversight of the actions. The panel also includes external expertise to add additional robust challenge but also bring external ideas and best practice to our response.
- 9.5 Regular updates will continue to be provided to Cabinet and all Councillors on progress. I am confident that the governance structures are robust and will provide clear and transparent progress reports.

10. CONSULTATION

- 10.1 This report has been completed following consultation with the Leader of the Council and all Cabinet Members.
- 10.2 The Chief Executive, S151 Officer and Monitoring Officer have also provided briefings to the Leader of the Opposition.
- 10.3 Staff consultation will be undertaken as required, and set out in the human resources implications below.

11 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 11.1 As detailed in this report the financial impact of COVID-19 is significant for all local authorities and the government has recognised that local authorities need financial help, along with the NHS, local businesses and resident.
- 11.2 As previously reported to this Cabinet the level of funding received by Croydon Council to date for general Covid-19 costs is £19.9m. Whilst this funding is very welcome we know that it will not be enough and our last return to MHCLG indicated an estimated £65.4m funding gap in 2020/21 after receipt of this funding.
- 11.3 Work is underway to reduce this funding gap and the Finance Review Panel are working on a number of projects to reduce costs, increase income and deliver savings, alongside continuing conversations with government in relation

to further funding.

- 11.4 We have also received funding for a number of specific work streams as follows:
- £57.4m for grants to small business and those in the retail, leisure and hospitality sector, this amount includes £2.8m which can be allocated at the discretion of the local authority based on pre-determined criteria set locally by Croydon Council.
 - £4.1m for Care Home infection control.
 - £1.99m for Test, Track and Trace.
 - £4.4m for Council Tax Hardship support.
 - £342k to support the opening of our high streets
- In all cases, these can only be spent on the specific are of expenditure, which would not have been incurred were it not for Covid-19.
- 11.5 The government has also announced numerous other funding including £100m to support rough sleepers and £1bn to support schools with lost teaching time and tutoring. The allocation of these funding sources is yet to be confirmed.

Risks

- 11.6 There continues to be a risk that the plans being developed are not sufficient to fund all costs and the government does not provide enough funding to Croydon. If this is the case and we are unable to balance the budget we will have no choice but to issue a S114 notice. At the time of writing this report, this is not the case and we are confident that we will be able to implement savings and solutions with government to balance the budget in 2020/21 and develop a robust MTFS for the future.
- 11.7 There is also a risk that the impact of this pandemic will have a financial impact on the Council for years to come, this will be the case if the government do not provide Council's with sufficient funding to cover costs in year and instead allow council's to borrow monies, a similar approach to that taken with the NHS.

Options rejected

- 11.8 Do nothing was not an option, and the fast action to reduce costs and explore savings and income generating options was taken quickly and in a managed manner with expert advice and challenge from other industry experts and partners.

Future savings/efficiencies

- 11.9 We recognised early in this pandemic that we needed we could not do nothing and acted early to set up the Finance Review Panel and put in place a programme of projects. It is this work and our on-going conversations with MHCLG that are instrumental in us having a plan to manage our budget and prevent the issue of a S114 notice.

Approved by Lisa Taylor, Director of Finance, Investment and Risk.

12. LEGAL CONSIDERATIONS

- 12.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance and Deputy Monitoring Officer that the Council is under a duty to ensure that it maintains a balanced budget and to take any remedial action as required in year.
- 12.2 The Head of Paid Service is responsible under the Local Government and Housing Act 1989 section 4(2) and (3) for preparing reports on the way the council's staff is organised, on the council's staffing needs and on the co-ordination of the way in which the council's functions are discharged.
- 12.3 The Chief Finance Officer (CFO) appointed under requirements within section 151 of the Local Government Act 1972 is responsible for ensuring the financial probity of the local authority. The Local Government Finance Act (LGFA) 1988 requires the CFO to make reports accordingly to which the council or their executives must have regard in consultation with the Head of Paid Service and Monitoring Officer. This includes the power to issue a report under section 114 (3) of the LGFA if it appears to her that the expenditure of the council incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.
- 12.4 The Monitoring Officer appointed under requirements within section 5 of the Local Government and Housing Act 1989 is responsible for ensuring the correctness and propriety of the council's decisions and that the authority does not breach any requirement imposed by statute or perform any maladministration or injustice actual or potential. The Monitoring Officer may prepare a report on any actual or potential illegality in consultation with the Head of Paid Service and Section 151 Officer. The Monitoring Officer also has a key role in relation to the promotion of the ethical framework amongst members.

Approved by: Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Director of Law and Governance and Deputy Monitoring Officer.

13. HUMAN RESOURCES IMPACT

- 13.1 The implementation of the proposals will in a number of instances necessitate a change of structure and skill mix of staff and/or change of working practices. The full impact in the proposals will be a net reduction in the number of staff and salary expenditure. We will seek to minimise the level of compulsory redundancies. The table below sets out the FTE impact.

	FTE reduction
Posts held by permanent staff	151.1
Vacant posts / agency	235.4
Total post reductions	410.5

- 13.2 Full engagement and consultation will be undertaken with the unions and staff as required. We have ensured early and active involvement of our recognised Trade Unions as the projects and proposals have developed.
- 13.3 Where restructures or transfers are proposed the Council's existing policies and procedures must be observed.

Approved by: Sue Moorman, Director of Human Resources)

14. EQUALITIES IMPACT

- 14.1 The Equality Act 2010 requires the Council to have due regard to the three aims of the Public Sector Equality Duty (the Equality Duty) in designing policies and planning / delivering services.
- 14.2 The three aims of the Equality Duty are to:
- Eliminate unlawful discrimination, harassment and victimisation
 - Advance equality of opportunity
 - Foster good community relations between people who share any of the defined Protected Characteristics and those who do not.
- 14.3 Where a decision is likely to result in detrimental impact on any group with a protected characteristic it must be justified objectively. This means that the adverse impact must be explained as part of the formal decision making process and attempts to mitigate the harm need to be explored. If the harm cannot be avoided, the decision maker must balance the detrimental impact against the strength of legitimate public need to pursue the service change to deliver savings.
- 14.4 The Council recognises that it has to make difficult decisions in order to reduce its overall expenditure to deliver within the approved budget while at the same time ensuring that it is able to respond positively to increases in demand for essential services. As part of the decision making process, we will be guided by the broad principles of equality and inclusion and will carry out and publish equality impact assessments on each project to secure delivery of the Council's equality duty, prior to implementation, including such consultation as required.

Approved by: Barbara Grant on behalf of Yvonne Okiyo, Equality Manager

15. ENVIRONMENTAL IMPACT

- 15.1 Sustainability will remain a key priority for the Council. All services will continue to be required to deliver improvements to the Council's sustainability and environmental impact.

16. CRIME AND DISORDER REDUCTION IMPACT

- 16.1 The Council remains committed to working with our partners to improve community safety across the borough.

17. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 17.1 The Council has set a budget for 2020/21 to support the costs of providing all of our services. This budget has been severely impact by Covid-19.
- 17.2 The Council needs to protect its limited financial reserves, and therefore it is essential that expenditure remain within the approved financial envelope.
- 17.3 The recommendations outline how the Council will remain within the approved budget for 2020/21,

18. OPTIONS CONSIDERED AND REJECTED

- 18.1 The actions outlined within this report are necessary and urgent. Many other councils are taking similar actions. Where they have larger reserves, they may absorb some costs, but this is not possible at Croydon.
- 18.2 The Council continues to raise the matter with Government, both directly and via London Councils and the Local Government Association to argue for additional funding for local government. This option, however, is not guaranteed and as a result the actions outlined in the report must continue.
- 18.3 It should be noted that any proposal that is not delivered will need to be replaced with an alternative proposal delivering equal financial impact whilst protecting Corporate Plan outcomes.

19. DATA PROTECTION IMPLICATIONS

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

NO

- 19.2 The Director of Policy & Partnership advises that this report provides updates only, with no decisions that impact on data.

Approved by: Gavin Handford, Director of Policy & Partnership

CONTACT OFFICER: Jo Negrini, Head of Paid Service

APPENDICES TO THIS REPORT: None

BACKGROUND PAPERS: General Fund & HRA Budget 2020/21 (Report to Cabinet on 24 February 2020)