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26th April 2022

Dear Minister

Thank you for your letter of the 16th March.

My Chief Executive has responded to your Officials to confirm that the Council welcomes the continuation of the Improvement and Assurance Panel's support for Croydon's transformation. I also want to thank you for the recognition in your letter and Written Ministerial Statement of the good progress my Administration and Officer team are making and the importance of protecting and enhancing the momentum we have developed.

I recognise that the scale of the Capitalisation Direction support which has been necessary in order to help Croydon address its outstanding historic financial mismanagement issues, means the Department rightly requires a greater level of assurance over our improvement.

Whilst we have made some specific suggestions on the terms of reference for the new Improvement and Assurance Panel mandate, we overall accept and understand the desire to formalise our current arrangements. We will continue to work closely and collaboratively with the Panel and your Department to ensure Croydon benefits from all the support possible to put right the problems left by the previous Labour Administration.

We have already begun work with the Panel to define an 'exit strategy', setting out the improvements needed in the Council over the coming years. Primary amongst these will be to return Croydon to a sustainable financial footing. As we have previously discussed, however, the increasing cost of servicing the £1.6bn debt left by the previous Administration, and the fact Croydon does not have anywhere near sufficient assets to sell to substantially reduce it, means we will not reach sustainability without long-term support from Government to reduce our toxic debt burden.

Whilst I am committed to taking the tough decisions necessary to reduce costs and improve efficiency in the Council, this alone cannot meet the scale of challenge presented by our historic debt level. This is not something we will be able to fix alone. I welcome the work which is underway with your Officials to explore options for a resolution to this issue and I look forward to working with you over the coming months to find a solution which both allows Croydon to return to financial sustainability and protects the public purse. This is a real priority and an issue which we will need to resolve by the Autumn, to give the Council certainty about its financial envelope for the 2024/25 budget setting process.

Considering the ongoing challenges facing my Local Authority, I would welcome the opportunity for a six-monthly political level meeting between the two of us, our respective Officers and Officials, and the Chair of the Improvement and Assurance Panel to give us a collective opportunity to review progress. If you are open to such a suggestion, I will ask my office to coordinate with yours to identify suitable dates.

It has been my priority since my election in May 2022 to sort out the terrible financial and governance fiascos that I have inherited. Once again may I thank you for your support in helping us to deal with these issues and start to restore pride to Croydon.

Yours sincerely

Mayor Jason Perry
Executive Mayor of Croydon