

LONDON BOROUGH OF CROYDON

REPORT:	SCRUTINY STREETS & ENVIRONMENT SUB-COMMITTEE	
DATE OF DECISION	30 January 2024	
REPORT TITLE:	Budget Scrutiny Challenge – Streets & Environment	
CORPORATE DIRECTOR / DIRECTOR:	<i>Nick Hibberd</i> Corporate Director Sustainable Communities, Regeneration & Economic Recovery	
LEAD OFFICER:	<i>Karen Agbabiaka</i> Director of Streets & Environment karen.agbabiaka@croydon.gov.uk <i>Heather Cheesbrough</i> Director of Sustainable Planning & Regeneration heather.cheesbrough@croydon.gov.uk	
LEAD MEMBER:	CLLR SCOTT ROCHE Cabinet Member Streets & Environment CLLR JEET BAINS Cabinet Member Planning & Regeneration	
CONTAINS EXEMPT INFORMATION?	NO	Public
WARDS AFFECTED:	All	

1. SUMMARY OF REPORT

1.1 As part of its assurance process on the 2024-25 Council Budget, the Scrutiny & Overview Committee has asked the Streets & Environment Sub-Committee to identify and scrutinise specific budget proposals. This report provides the Streets & Environment Sub-Committee with information on the following 2024/25 budget areas:-

1. 2024-28 SAV SCRER 002. Parking Services - Fees and Charges and changes to parking policy. The sub-committee have requested information on the process that will be followed to amending fees and charges and to achieve these savings.
2. 2024-28 GRO SCRER 003. SEND Transport – growth proposal. The sub committee have requested information on student numbers and cost drivers related to this proposal.
3. 2024-28 SAV SCRER 006 - Deferral of growth in highways maintenance revenue budget.

2. RECOMMENDATIONS

- 2.1 That the Streets & Environment Scrutiny Sub-Committee consider the information contained in the report as part of the budget scrutiny challenge process.

3. REASONS FOR RECOMMENDATIONS

- 3.1 As part of its assurance process on the 2024-25 Council Budget, the Scrutiny & Overview Committee has asked the Streets & Environment Sub-Committee to identify and scrutinise specific budget proposals.
- 3.2 This report provides the Streets & Environment Scrutiny Sub-Committee with information to support the Budget Scrutiny Challenge process. The report covers the areas identified for focus, which are Parking Policy, Planning Service and Building control.

4. BACKGROUND AND DETAILS

Overview of Sustainable Communities, Regeneration & Economic Recovery Budget

- 4.1 The Sustainable Communities, Regeneration & Economic Recovery (SCRER) has a 2023/24 general fund budget of £65.621m with a gross expenditure budget of £128.149m. The directorate generates significant levels of income, particularly within the Planning and Strategic Transport and Sustainable Communities divisions. The socio-economic conditions post COVID, 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, and a reduction in commuting. This has led to some budget pressures across income generating teams during 2023/24.
- 4.2 At Month 6, SCRER was projecting a General Fund forecast breakeven position for 2023-24. The main potential risk areas relate to income in the areas of parking, parking enforcement, moving traffic offences and planning.
- 4.3 As part of the 23 October 2023 Cabinet report *2024-28 Medium Term Financial Strategy Update* the forward financial forecast for 2024-25 to 2027-28 (2024-28) was outlined with an update given on the key budget assumptions. A budget deficit, before allowance for savings, efficiencies and any further government support, of £75m is forecast for 2024-25, increasing to £137m by 2027-28. The SCRER directorate have proposed savings of £1.353m in 2024/25.
- 4.4 Croydon's financial challenge is compounded by significant, and independently well documented local historic legacy (governance, financial, service delivery and structural) issues. Legacy budget corrections of £49m were made in 2023-24 following the launch of the Opening the Books exercise by the Executive Mayor in July 2022. This has more clearly established the Council's underlying financial position.

Areas of focus identified by the sub-committee:

2024-28 SAV SCRER 002. Parking Services - Fees and Charges and changes to parking policy.

- 4.5 2024-28 SAV SCRER 002 proposes to generate £0.951m of income from parking. The sub-committee have requested information on the process that will be followed to amending fees and charges and to achieve these savings.
- 4.6 Parking Services budget is made up of six separate income streams which generate income from both parking and moving traffic offences. The overall income assumed in the 2023/24 budget was £26.186m.

Table 1. Parking and ANPR income streams

Income stream	23/24 Budget
Parking Permits	£1.913m
Pay & Display / Pay by Phone	£7.857m
Suspension payments (income from filming, utility companies, special events)	£0.734m
Penalty Charge Notice (PCN income) – on street	£5.562m
Income from existing ANPR cameras	£2.538m
Income from new ANPR camera schemes	£7.582m
Total	£26.186m

- 4.7 The 2024-28 SAV SCRER 002 proposal is linked to the parking policy transformation. Consultation on the draft parking policy took place from 22 September to 31 October 2023. Changes to the parking fees and charges will be proposed in a separate report to Cabinet following the outcome of the consultation process and evaluation of feedback from that consultation.
- 4.8 The way that the council manages its parking and balances the competing uses of its limited roadside space is vitally important to the vibrancy and vitality of the town, district and local centres. The successful and safe movement of people and goods is critical to the borough including residents, businesses and visitors. The Road Traffic Regulation Act 1984 gives the council power to introduce and operate parking schemes and the opportunity for the public to engage with the council on proposals.
- 4.9 The 26 July 2023 Cabinet report sets out a new parking policy to play its part in transforming the council into one that delivers sound and sustainable local government services, and in so doing will transform our borough into one that residents can once again be proud to call home. The policy will support efforts for our town centre and high street recovery. The draft policies ambition is underpinned by four policy drivers, to ensure that it supports the Executive Mayor’s Businesses Plan:
- Fair – parking which will be provided to benefit our users, robustly enforcing blue badge fraud and targeted enforcement in non-compliant areas.
 - Supportive – Providing free limited stay parking in our district and local centres.

- Efficient – managing the parking service effectively and putting the customer at the forefront of everything we do and introducing virtual permits and technologies to aid our customers.
- Transparent – communicating openly with our customers, making fair assessment of footway parking across the Borough and introducing transparent parking tariffs.

This new draft policy replaces the current policy 2019–22 and this report presents this council's approach to the Parking Policy and to ensure that it meets the needs of residents, businesses and partners. Consultation on the draft policy took place over the summer of 2023.

4.10 The Parking Policy is framed around five specific policies to deliver on these ambitions by:

- supporting our local economy
- appropriate parking management
- supporting our disabled residents
- efficient service management
- Intelligence led enforcement.

Consultation on the draft policy

4.11 The importance of community feedback is recognised and to ensure we are listening to the community and that the policy is addressing both their needs and supporting the objectives set out in the Executive Mayor's Business Plan, a public consultation exercise was undertaken during the summer of 2023. To maximise the engagement with the community, the consultation took place across multiple channels, including the council's website and social media and included 10 community workshops.

4.12 The proposed actions included within the draft Parking Policy included the following which are related to the delivery of the 2024-2028 SCRER 02 budget proposal:

- **Review of free short stay parking provision.** The council's current free parking arrangements in town centres and high streets supports local businesses but we need to ensure turnover of available spaces to encourage vibrancy of these businesses. It is proposed that the current free period will be reviewed to maximise spaces for short-term visits and provide consistency across the borough.
- **Review of operational hours of on-street controls.** For consistency, fairness, and to help support local businesses, a review of existing hours of control within areas of controlled parking will be undertaken. Many existing parking controls and zones have been in place unchanged for decades, so it is appropriate to review those to ensure they remain the most appropriate hours of operation for the area. This is particularly relevant in light of changing work patterns, commuter behaviours etc.
- **Review of Pay & Display machine provision across the borough.** As part of the budget setting process, at Budget Council on 7 March 2022, a savings proposal was ratified as part of the Medium-Term Financial Strategy (MTFS) proposal (2022/23 MTFS Saving COR Sav13x) for removal of Pay and Display Machines. The proposal identified a saving of £300,000 associated with the removal of the 683 Pay & Display machines across the borough. Also, the mobile communication technology within the Pay & Display machines is impacted by the mobile providers 3G sunset clause, where the phasing out of the 3G network will mean that machines would require

upgrading so that they could operate on the 5G network. With the increasing demand for cashless transactions, post Covid, and a decrease in Pay & Display usage and the acceptance new technologies, we are developing a phased programme for the removal of Pay & Display machines across the borough.

- **Update and simplification of parking fees and charges.** The council will review parking fees and charges and parking permit products, simplifying the structures and improving the fairness of the tariffs. The updated fees and charges will be established in a way that simplifies the charging levels. This will help those parking with more transparent information to understand the tariff rates and make more informed decisions about when, where and how long they park.

4.13 In support of the council's ambitions for supporting the economic vibrancy of town centres and high streets, the council has been trialling plans to improve parking availability in South Croydon, New Addington, Purley, and Addiscombe. The council is pleased to offer limited stay free parking within our town centres and high streets, as it is vital to encourage the community to support local businesses. Limited short-stay parking encourages regular turnover, by making spaces close to shops available for short durations suitable for shopping. The trials have involved switching off the 'pay and display' machines, so they do not dispense tickets. Instead, motorists have used the RingGo cashless parking app on their smartphones or have called RingGo on 0203 046 0010 or alternatively visit a local PayPoint location. Croydon Council's existing 'pay and display' machines are reaching the end of their operation as they rely upon 3G connectivity, which is currently being shut down by network providers. The trial will enable the council to understand the impact of moving to phone payment and explore ways of addressing any issues that users experience during the trials.

4.14 Following the completion and analysis of the cashless parking trials and the analysis of the feedback from the Parking Policy consultation, new fee tariffs will be developed with the aim of delivering the SAV SCRER 002 income proposal. All changes to parking tariffs will be subject to the statutory consultation process prior to implementation.

2024-28 GRO SCRER 003. SEND Transport – growth proposal.

4.15 The intention of this growth bid is to consider the continuing student number increases within the Home to School SEND Transport cohort which is a direct consequence of legislative changes from the Children and Families Act 2014 (which increased the educational age to 25 and also implemented the Education and Health Care Plan process (EHCP)). The sub-committee have requested information on student numbers and cost drivers related to this proposal.

4.16 The council has a statutory responsibility to facilitate access to schooling and education for students 5-25. The growth proposal of £0.620m represents a 5% increase in line with average annual student number increases over the last 7 years. The overall SEND Transport budget for 2023/24 is £16.341m. At period 6 there was a forecast pressure of £0.3m for SEND home to school transport due to increased demand. However, since period 6 the numbers of students with an EHCP who require transport has continued to increase, with a 14% increase between January and November 2023 which has generated additional pressure.

- 4.17 The council provides home-to-school/college travel support for children and young people with Special Education Needs and/or Disabilities (SEND), and home-to care provision travel support for vulnerable adults, in accordance with its statutory obligations and published eligibility policies. Travel support takes many forms, including the provision of independent travel training to enable clients to travel independently on public transport, and personal travel budgets and direct payments to enable clients to make their own travel arrangements. Nevertheless, the direct provision of passenger transport is still the most common provision for eligible clients. The government refreshed the SEND Transport guidance in July 2023: [Travel to school for children of compulsory school age \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)
- 4.18 There is consistent growth in SEN Travel numbers, this is in line with the increase in the number of EHCP (Education Health and Care Plans) which have also seen a consistent growth. From 1325 in 2010 to 4570 in March 2023. In addition, in-Borough SEND placement provision is also being increased, to provide a more local provision within Croydon, which is also increasing with numbers of students. Whilst the service continues to work hard in ensuring adherence to the Travel Assistance Policy (the percentage of EHCP students receiving transport is reducing), there is still a substantial increase in both the overall number of students in receipt of an EHCP, and the consequential increase in the number of students on transport.

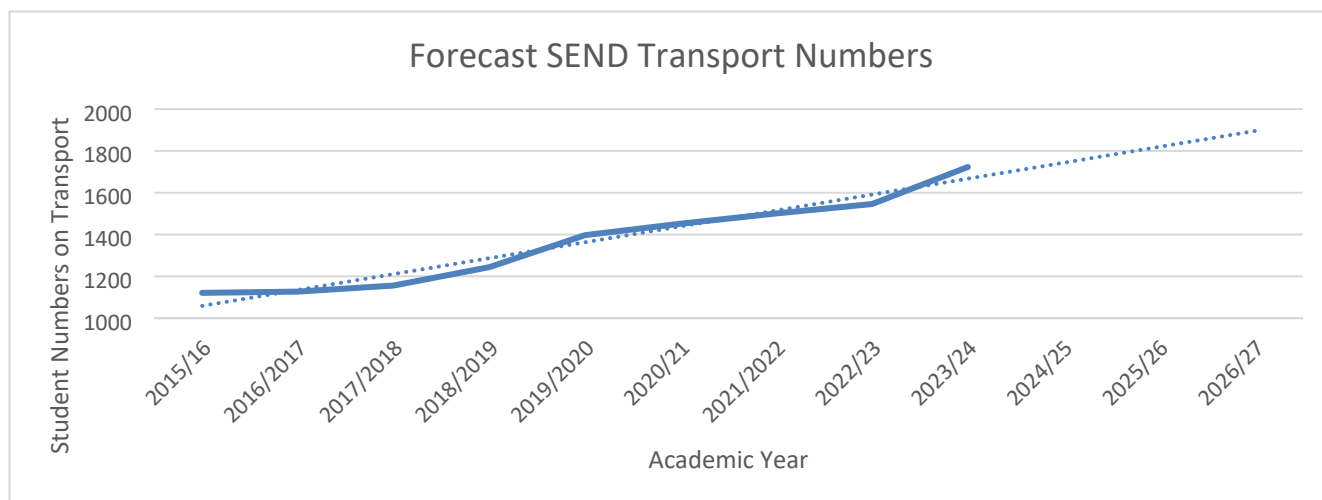
Table 2. Growth in the SEND Travel numbers and EHCPs

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Nov 2023
Number of students on transport	1121	1127	1156	1244	1397	1452	1501	1546	1723*
% Change Transport		0.5%	2.6%	7.6%	12.3%	3.9%	3.4%	3.0%	11.4%
Number of EHCPs	2217	2491	2693	2999	3161	3394	3556	4018	4570*
% change EHCP		12.4%	8.1%	11.4%	5.4%	7.4%	4.8%	13.0%	13.7%

Transport figure given as July (end of academic year)

EHCP figure (generally) given as Jan each year, (SEN2 Annual Data submission to DfE)

Graph 1. Actual and projected growth in the SEND Travel numbers



- 4.19 Work continues to take place to ensure that the service is achieving value for money and is optimised efficiently. For example, in 2022/23, 57/157 schools had only 1 student on the school that required transport which limits opportunities for optimisation. However, by December this is now down to 43 schools/149 establishments served.
- 4.20 The SEND Transport Transformation programme is also reviewing the service to explore ways of reducing costs in increasing efficiency. Phase 1 of the transformation programme was completed in August 2023 and a review of the processes within the service and explore options for income generation and closer working with the VCS.
- Vehicle utilisation for income generation explored with Education to look at supporting a food bank project.
 - Meetings held with VCS provider (CAT) to encourage them to bid for work (bus and taxi) to try and provide competitive pricing into the market.
- 4.21 Phase 2 of the transformation programme is underway and will explore opportunities for rationalisation of transport routes through the creation of muster points and telemetry analysis of routes. A review of the procurement strategy will also form part of phase 2.
- 4.22 To account for the increased age range on education under the Children & Families Act 2014 (which has not seen the secondary legislation relating to home to school travel obligations revised, hence creating a funding gap), the Council reviewed its post-16 Travel Policy to ensure value for money by creating a hierarchy of offer for post-16 students, which is designed to provide cost mitigation. Therefore, the Council first offers a Personal Travel Budget to parents/carers (£0.60/mile) before offering home to school transport where it is more cost effective to the Council to do so. Personal Travel Budgets are offered to the parents/carers where it is more cost effective to the Council to do so on a case-by-case basis. Travel training is provided, and this mitigates against more expensive costs.

Table 2. Personal Travel Budgets

	2021/22	2022/23	2023 to November
Number in receipt of PTB	126	174	189
Total (financial year)	£405 290	£460,759	£295,189 (£461,000 forecast)

2024-28 SAV SCRER 006 - Deferral of growth in highways maintenance revenue budget.

- 4.23 2024-28 SAV SCRER 006 proposes to defer the £1m of growth in the highways maintenance budget that was agreed during 2021/22 budget setting process. This growth in the budget was also deferred in 2023/24. It is important to note that the proposal is not to cut the existing revenue budget, but to defer the growth in the budget for a further year. This deferral of the proposed budget growth is being proposed in the context of the difficult choices that the council has to make given its extremely challenging financial position and the need to develop a balanced budget for 2024/25.
- 4.24 The deferral of the growth of £1M can be achieved by postponing some of the reactive work for the 2023/24 year. The focus will be upon undertaking works which maintain the safety of the highway. Highways maintenance requests will be triaged to ensure that work that relates to safety and other critical work is prioritised – rather than undertaking work based on aesthetics. Maintaining condition using capital funds avoids increases in reactive defects (and thus revenue spend), so where possible the capital budget will be used to minimise the need for revenue expenditure. The is feasible because the proposal is for the growth in the budget to be deferred for one year only.
- 4.25 The Prime Minister’s Network North announcement on 4 October 2023 included a commitment to an additional £8.3 billion for local highway maintenance from 2023/24 - 2033/34, over and above what local authorities were expecting to receive. In December 2023 Croydon received its allocation for this additional funding – totalling £0.382m. Croydon Council will receive the same level of funding of £0.382m in 2024/25. This additional funding can be spent on the resurfacing of carriageways, cycleways, and footways to prevent potholes and other road defects from occurring, as well as tackling other asset management priorities, such as keeping local bridges and other highway structures open and safe. The funding will mitigate the impact of deferring the growth in the highways maintenance budget. This funding is in addition to local transport funding from the last Spending Review and in addition to what LAs were expecting in future.

5. CONSULTATION

- 5.1 The 23 October 2023 MTFS update report proposed that a public consultation and engagement programme is launched with residents, businesses, partners, the voluntary and community sector and other interested parties on the revenue budget and capital programme proposals set out in that report.
- 5.2 The 23 October 2023 MTFS update report commenced the Budget Consultation and Engagement. The results of the consultation and engagement will inform the final proposals for Council Tax Setting to be presented to the Mayor in Cabinet and Full Council in February and March 2024.

6. CONTRIBUTION TO COUNCIL PRIORITIES

- 6.1 The executive Mayor's Business Plan overarching priority is to deliver a wholesale transformation of the Council's way of working, so that we balance the budget and change how services are run.
- 6.2 The budgets and transformation proposals for Parking, SEND Transport and Highways Maintenance are identified within the medium term financial strategy 2024/25 to 2027/28 update support the delivery of the following outcomes within the Mayor's Business Plan 2022-2026.
- Outcome 1: The Council balances its books, listens to residents and delivers good sustainable services.
 - Outcome 2: Croydon is a place of opportunity for business, earning and learning.
 - Outcome 4: Croydon is a cleaner, safer and healthier place, a borough we're proud to call home.

7. IMPLICATIONS

7.1 FINANCIAL IMPLICATIONS

- 7.1.1 The financial implications of this report are described in the main body of the report.
- 7.1.2 Insert at the end of the section: Comments approved by Darrell Jones Acting Head of Finance on behalf of the Director of Finance. 23rd January 2023

7.2 LEGAL IMPLICATIONS

- 7.2.1 There are no direct legal implications arising from this report.

7.3 EQUALITIES IMPLICATIONS

- 7.3.1 There are no direct equalities implications arising from this report. Equalities impact assessments will be undertaken as part of the delivery of the transformation programmes as appropriate.

8. BACKGROUND DOCUMENTS

- 8.1 23rd October Cabinet report on 2024-2028 Medium Term Financial Strategy
[MTFS Report Final.pdf \(croydon.gov.uk\)](#)
 - 8.2 26th July Cabinet report on draft Parking Policy 2023
[Parking Policy - Cabinet -.pdf \(croydon.gov.uk\)](#)
-