

**Supplementary
Agenda: Urgent -
Recommendations from
Scrutiny for the consideration
of Cabinet, Scrutiny &
Overview Committee,
14Oct24: Period 4 and MTFS**



4. Urgent Business (If any) (Pages 3 - 10)

Recommendations from Scrutiny for the consideration of Cabinet, Scrutiny & Overview Committee, 14Oct24 (Financial Performance Monitoring Period 4 (relates to Item 7 on Cabinet agenda) and MTFS (relates to Item 8 on Cabinet agenda)).

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Agenda Item 4

LONDON BOROUGH OF CROYDON

REPORT:	CABINET	
DATE	16 October 2024	
REPORT TITLE:	STAGE 1: RECOMMENDATIONS ARISING FROM SCRUTINY	
LEAD OFFICER:	Jane West, Corporate Director for Resources Adrian May, Interim Head of Democratic Services T: 020 8726 6000 X 62529. Email: adrian.may@croydon.gov.uk	
LEAD MEMBER:	Councillor Leila Ben Hassel Chair, Scrutiny and Overview Committee	
AUTHORITY TO TAKE DECISION:	Recommendations that have been developed from the Scrutiny and Overview Committee and its Sub-Committees since the last Cabinet meeting are provided in the appendices to this report. The constitution requires that an interim or full response is provided within 2 months of this Cabinet meeting.	
KEY DECISION?	No	N/A
CONTAINS EXEMPT INFORMATION?	No	Public
WARDS AFFECTED:	All	

1. SUMMARY OF REPORT

- 1.1 This report sets out recommendations from Scrutiny for the consideration of the Cabinet. These recommendations originate from the meeting of the Scrutiny & Overview Committee on 14 October 2024.

2. RECOMMENDATIONS

- 2.1 For the reasons as set out in this report and appendices, Cabinet is **RECOMMENDED** to agree to:
1. Receive the recommendations arising from the meeting of the Scrutiny & Overview Committee on 14 October 2024 (Appendix 1)
 2. To provide a substantive response to the recommendations (a Scrutiny Stage 2 Report) at the Cabinet meeting on 30 October 2024.

3 REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 3.1 Part 4E of the Council's Constitution: Scrutiny and Overview Procedure Rules (paragraphs 8.5 – 8.7) and Section 9FE of the Local Government Act 2000 requires the executive to consider and respond to Scrutiny and Overview reports within 2 months, beginning from the date on which the executive received the report or recommendation.

4 BACKGROUND AND DETAILS

- 4.1 To provide additional context for the recommendations appended to this report, this section provides the conclusions reached by Scrutiny on the item under consideration.

Scrutiny & Overview Committee

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- 4.2 The Committee welcomed the improvement from Period 3 to Period 4 and noted that the improvement was mainly due to releasing unallocated transformation funding held corporately. Greater improvement on a departmental level would come from implementation of the Recovery Plans currently in development.
- 4.3 The Committee welcomed the renewed commitment from the Cabinet Member for Finance to keeping Scrutiny updated on any substantive changes to the Council's in-year financial position.
- 4.4 The Committee welcomed the commitment of the Administration to not using the General Fund Reserve as a means for balancing the year-end budget, unless absolutely necessary, focussing instead on the delivery of in-year savings.
- 4.5 The Committee noted that the financial challenges within the in-year budget were mirrored at other London boroughs and local authorities across the country and was encouraged by the confirmation that there was ongoing collaboration with other boroughs on the shared challenges.
- 4.6 The Committee understood that 20% of homelessness cases resulted from private sector evictions, with the majority of cases caused by family breakdown. The Committee welcomed the embedding of the NEC system in Housing, which now enabled the better recording the causes of homelessness, allowing the service to better understand demand which should lead to more robust future planning.

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- 4.7 The Committee recognised that the Council's financial position remained extremely fragile, particularly managing London-wide and national challenges to the local government sector, on top of the Council's existing debt burden.

- 4.8** The Committee acknowledged and commended the transformation work of the Adult Social Care service, which meant they were better able to manage demand and as a result were outperforming other London boroughs.
- 4.9** The Committee acknowledged and recognised the current uncertainty, as the draft MTFS was being considered in advance of the Government Autumn Statement. It recognised further uncertainty as the new government's approach to local authority finance, including any future council tax referendum cap level, had not yet been announced. This meant that there would need to be further options appraisals for closing the 2025-26 budget gap, which would in turn lead to changes in the estimates and projections set out in the draft MTFS presented at the meeting.
- 4.10** The Committee concluded that given the financial challenges facing the Council from its debt burden, in addition to increasing demand and growth pressures, meant that the 2025-26 Budget would be riskier than previous years, even if greater certainty was provided in the new Government's Autumn Statement. The Committee also concluded that service delivery was likely to be at greater risk as a result.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1** None. It is a statutory and constitutional requirement for the Executive to receive and respond to recommendations made by Scrutiny.

6 CONSULTATION / PRE-DECISION SCRUTINY

- 6.1** The recommendations were developed from the deliberations of either the Scrutiny & Overview Committee or one of its Sub-Committees.

7 CONTRIBUTION TO EXECUTIVE MAYOR'S BUSINESS PLAN

- 7.1** Outcome 1: The Council balances its books, listens to residents and delivers good sustainable services:

Priority 4: Ensure good governance is embedded and adopt best practice. The Council must learn the lessons of past failures and embed sound governance processes to ensure that decision-making is transparent, open and honest. These must ensure effective control of our projects and programmes and encourage meaningful scrutiny and challenge.

- 7.2** Outcome 3: Children and young people in Croydon have the chance to thrive, learn and fulfil their potential.

Priority 1: Ensure children and young people have opportunities to learn, develop and fulfil their potential.

Priority 2: Make Croydon safer for young people.

- 7.3** Outcome 4: Croydon is a cleaner, safer and healthier place, a borough we're proud to call home:

Priority 1: Make our streets and open spaces cleaner so that Croydon is a place that residents and businesses can feel proud to call home.

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

8.1.1 The Scrutiny recommendations to the Executive may have financial implications. Following the recommendations being received at Cabinet, the Executive will identify and consider any financial implications as part of their response.

8.1.2 If any recommendation is subsequently progressed for consideration and decision by the Executive Mayor in Cabinet, full financial (as well as legal and equalities) implications would be presented.

8.2 LEGAL IMPLICATIONS

8.2.1 Under Section 9F Local Government Act 2000 (“The Act”), Scrutiny and Overview Committee (SOC) have the powers to review or scrutinise decisions made, or other action taken in connection with the discharge of any executive and non-executive functions and to make reports or recommendations to the executive or to the authority with respect to the discharge of those functions. SOC also has the power to make reports or recommendations to the executive or to the authority on matters, which affect the authority’s area or the inhabitants of its area.

8.2.2 Under Section 9FE of the Act, there is a duty on Cabinet to respond to the scrutiny report, indicating what (if any) action Cabinet proposes to take, within 2 months of receiving the report and recommendations.

8.3 HUMAN RESOURCES IMPLICATIONS

8.3.1 There are no human resource implications arising directly from the contents of this report.

8.4 EQUALITIES IMPLICATIONS

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

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

8.4.2 The recommendations in the appendices to this report may have equality implications and may require an EQIA as part of the development of the proposals. The

implications will be explored to identify impact and mitigation utilised to negate any adverse impact where necessary.

8.7 DATA PROTECTION IMPLICATIONS

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

There are no Data Protection implications at this stage, but that the situation will be reviewed again at Stage 2 when Cabinet provide their response to the proposed recommendations.

HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

NO

9 APPENDICES

9.1 Appendix 1: Recommendations from Scrutiny & Overview Committee on 14 October 2024

10 BACKGROUND DOCUMENTS

Papers for the Scrutiny & Overview Committee on 14 October 2024

<https://democracy.croydon.gov.uk/ieListDocuments.aspx?CId=166&MId=4147&Ver=4>

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Appendix 1 – Recommendations arising from Scrutiny & Overview Committee, 14 October 2024

Item: Cabinet Paper – 2024-25 Period 4 Financial Monitoring Report

Recommendation Number	Recommendation	Political Lead	Officer Lead
SOC.6.24/25	The Committee welcomed the commitment of the Administration to reviewing whether there would be benefit in the SEND transport budget sitting within the Children and Young People directorate, considering they are the client department and would recommend that the outcome from this review is reported back to the Committee, as part of the budget setting process.	Cllr Jason Cummings	Jane West

Item: 2025-29 Medium Term Financial Strategy Update

Recommendation Number	Recommendation	Political Lead	Officer Lead
SOC.7.24/25	The Committee recognised the importance of all Members understanding the in-year financial challenges. As such, it recommends that an all-Member briefing is arranged in a timely manner.	Cllr Jason Cummings	Jane West

SOC.8.24/25	The Committee felt that it was important for residents to be made aware of the challenging in-year financial position and the impact upon the Medium Term Financial Strategy. As such, it recommends that residents are regularly updated on the in-year financial challenges and related impact on the MTFS as part of the Council's email newsletter to residents.	Cllr Jason Cummings	Jane West
SOC.9.24/25	As the Council's ability to gather data more effectively had improved, the Committee recommends that it be better used within the Budget report, due in February 2025, to demonstrate the robustness of assumptions informing budget decisions.	Cllr Jason Cummings	Jane West
SOC.10.24/25	The Committee recommends that 2025-29 Medium Term Financial Strategy report provides greater clarification on the way it reports savings proposals (Appendix B) by providing a sub-category to Transformation items in the 'Savings Type' column e.g invest to save, new ways of working, service redesign etc.	Cllr Jason Cummings	Jane West
SOC.11.24/25	Following the Administration's confirmation that the Committee's recommendation from last year, for the budget consultation plan to be independently reviewed, the Committee recommends that the feedback from the LGA's review of this year's Council's Budget Consultation is shared with the Committee ahead of its launch.	Cllr Jason Cummings	Jane West
SOC.12.24/25	Given the importance of prevention in managing demand in those services experiencing the greatest overspends, the Committee recommends that further detail on prevention workstreams is included within the Budget report.	Cllr Jason Cummings	Jane West