

# Scrutiny & Overview Committee Agenda



To: Councillors Sean Fitzsimons (Chair), Robert Ward (Vice-Chair), Leila Ben-Hassel (Deputy-Chair), Jade Appleton, Mike Bonello and Joy Prince

Reserve Members: Louis Carserides, Richard Chatterjee, Pat Clouder, Mary Croos, Clive Fraser and Oni Oviri

A meeting of the **Scrutiny & Overview Committee** which you are hereby summoned to attend, will be held on **Tuesday, 7 December 2021 at 6.30 pm. This meeting will be held remotely.**

Katherine Kerswell  
Chief Executive  
London Borough of Croydon  
Bernard Weatherill House  
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Monday, 29 November 2021

Members of the public are welcome to view the webcast both live and after the meeting has completed at <http://webcasting.croydon.gov.uk>

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If you require any assistance, please contact Simon Trevaskis as detailed above.

## AGENDA – PART A

### 1. **Apologies for Absence**

To receive any apologies for absence from any members of the Committee.

### 2. **Minutes of the Previous Meeting** (Pages 5 - 14)

To approve the minutes of the meeting held on 19 October 2021 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), any 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. Finance Performance Report - Month 7 (Pages 15 - 48)**

The Scrutiny and Overview Committee is asked to:-

1. Note the contents of the Cabinet report considering the Period 7 financial monitoring position and forecasts as set out in the appendices to this report.
2. Considered whether there are any areas of in need of further scrutiny that should be scheduled for later in the year by either the Committee or one of its Sub-Committees.

**6. 2022-23 Budget and Three Year Medium Term Financial Strategy (Pages 49 - 88)**

The Scrutiny and Overview Committee is asked to:-

1. Note the contents of the Cabinet report on 2022-23 Budget and Three Year Medium Term Financial Strategy.
2. Review the information provided with a view to, as part of the wider budget scrutiny process, forming conclusions on the deliverability and sustainability of the 2022-23 budget, as well as ensuring there is an understanding of the key risks.
3. Considered whether there are any specific budget proposals that should be tested in further detail by either the Committee or one of its Sub-Committees in January 2022.

**7. Scrutiny & Overview Work Programme 2021-22 (Pages 89 - 92)**

The Scrutiny & Overview Committee is asked to:-

1. Note the current position of its Work Programme for 2021-22,
2. To consider whether there are any other items that should be added to the work programme.

**8. 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.”

## Scrutiny & Overview Committee

Meeting held on Tuesday, 19 October 2021 at 6.30 pm

This meeting was held remotely and a recording can be viewed on the Council's website

### MINUTES

**Present:** Councillors Sean Fitzsimons (Chair), Robert Ward (Vice-Chair), Leila Ben-Hassel (Deputy-Chair), Jade Appleton and Joy Prince

**Also Present:** Councillor Hamida Ali and Callton Young

**Apologies:** Councillor Mike Bonello

### PART A

#### 81/21 **Minutes of the Previous Meeting**

The minutes of the meetings held on 15 June, 7 September and 20 September were agreed as an accurate record.

Councillor Ward provided an update on the previous request made by the Committee to access to information about the redevelopment of Fairfield Halls. It was confirmed that most of the information requested had either been provided or confirmation given that it could not be located. There were three items still to be confirmed, which were correspondence between Mott MacDonald and Council about their leaving the project, a report from Mott MacDonald on the phased refurbishment of the venue and further information on the use of Coast to Capital funding. It was expected that these outstanding items would be resolved before the next meeting of the Committee on 7 December 2021.

#### 82/21 **Disclosure of Interests**

At the start of this item the Chair of the Committee reminded Members of the requirements as set out in the Code of Conduct adopted by the Council on 11 October 2021.

There were no disclosures of interest made at the meeting.

#### 83/21 **Urgent Business (if any)**

There were no items of urgent business for consideration at the meeting.

**Budget & Medium Term Financial Strategy - Risks**

The Committee considered a presentation on the key risks in the Council's budget and Medium Term Financial Strategy (MTFS). The presentation was delivered by the Interim Director of Finance, Matthew Davis. A copy of the presentation can be found at the following link: -

<https://democracy.croydon.gov.uk/documents/s33002/Appendix%20A%20-%20Budget%20MTFS%20Risks%20Presentation.pdf>

Prior to the presentation, the Leader of the Council, Councillor Hamida Ali, introduced the item by highlighting the progress made in the past year which had included a focus upon introducing a robust governance framework and putting the Council's finances on a sustainable footing. The Council was still on track to deliver its budget for 2021-22, which included £44m of savings and an increase in the level of reserves held. In addition, a way forward for Brick by Brick had been found through a managed build out process that would provide further new homes. The progress made by the Council had been reflected in feedback received from the Government's Improvement and Assurance Panel.

Although significant progress had been made, delivering a balanced budget for 2022-23 remained a considerable challenge. The Council needed to find an additional £38m of savings, in addition to the £25m savings identified in the MTFS. £25m had been requested through the capitalisation process, which if not agreed, would require even further savings. As such the process to set the Council's budget was following a painstaking approach, undertaking a holistic review of the entire budget.

The decision taken by the Cabinet, at its meeting on the previous evening, about the future of Purley Leisure Centre, could be taken as evidence that the administration was prepared to make difficult decisions to ensure a balanced budget was delivered. At the same time, consultations about the future delivery of the Libraries Service and children's centres indicated that the Council was listening to local people to inform its decision making. The immediate focus for the Administration was to deliver a balanced budget which would ensure the future of Croydon remained in its own hands.

Following the introduction and the presentation the Committee was given the opportunity to ask questions about the information provided. The first set of questions sought clarification on a number of areas, with confirmation given that earmarked reserves were funds allocated by the Council to mitigate against specific identified risks. The general fund reserves were held for more unexpected events such as the pandemic. In theory the Council could just have general fund reserves, however best accounting practice recommended having earmarked reserves for known risks.

The Council Tax base had grown on average by 1.5% per annum over the past five years. This increase was equivalent to an extra £3m per year, which given the potential risk that the Council Tax base may stagnant or decline,

needed additional consideration over how best to mitigate against this eventuality.

At present the Council retained approximately £71m of the business rates raised in the borough. When a business premises became empty, the owner was entitled to business rate relief for the first three months the premises was empty. When this three month period ended, payment of business rates resumed, even if the unit remained empty. Business rates only stopped being due if the unit was demolished. The Council had a level of protection through the localised business rates system, which capped the potential loss of business rate income at a maximum of 7%. This was equivalent to approximately £5m per annum.

As there had been criticism of the Council's past use of transformation funding, it was questioned how the process had been strengthened to minimise risk in this area. It was highlighted that transformation projects had been agreed at a meeting of Council earlier in the year. Any new transformation funding bids would need to follow the same process in gaining Council approval as well. Prior to reaching Council, a robust business plan was required to support the bid. This was reviewed by an officer panel and if it passed this stage the bid would be submitted to a meeting of the Council for final approval.

It was confirmed that inflation across all areas of spending had been factored into the budget assumptions, with 1% contract inflation equivalent to an additional £3.7m. Officers and the Cabinet Member for Resources & Financial Governance were in the process of reviewing all Council contracts on a line by line basis to identify savings. This presented a significant opportunity to make savings, with £7m targeted, but as this work was still ongoing there was still a degree of risk over whether this target could be reached.

The Council's total budget was approximately £1b, with a significant percentage accounted for in funding passed through the Council for areas such as education funding and benefits. The net budget requirement was £283m, which was part funded by the Revenue Support Grant, Business Rates and Council Tax.

It was noted that the Council was using a Star Chamber process to set the budget for 2022-23. It was questioned whether this approach had used a zero base budget method as a means of identifying savings. It was confirmed that a zero base budget approach had been used in part for some services, but not all as the budget process had already identified a number of savings. In some areas the budget had been stripped back, but due to the limited timescale available for budget setting the focus was on ensuring the delivery of a robust budget.

As a follow-up it was questioned whether consideration would be given to using a zero base budget approach in the future. It was advised that there was a need for the Council to improve its budget processes, including bringing certain aspects forward to earlier in the year, such as setting out the political

aspirations for the budget. It was likely that a report proposing changes to the budget process would be brought forward in due course.

It was highlighted that the Committee had raised concern about the Council's ability to deliver its budget in previous years. As such, it was questioned what systems needed to be introduced to ensure there was a robust budget setting process going forward. It was advised that the prior lack of corporate systems for budget development had presented a significant challenge and a lot of activity in the past year had been invested in building and embedding new systems. It was essential for the Council to have a robust finance system in place to closely monitor the delivery of the budget, particularly for high risk areas such as Children's and Adults Social Care. Other systems such as those used for complaint handling and resident engagement were also being reviewed.

Given the presentation had highlighted a variety of different risks, it was questioned whether all of these were captured on the Corporate Risk Register. It was confirmed that many of the risks raised were captured and there was an ongoing process to refine and improve the risk register. Part of the Star Chamber process involved analysing each saving proposal on the risk of delivery.

It was confirmed there was an intention to increase the Council's ear-marked reserves as part of the budget setting process for this financial year. Work was also underway to reduce the level of debt held by the Council to lessen the amount of interest paid on borrowing.

It was acknowledged that managing demand in services such as Children and Adult Social Care was as much about changing the culture as about changing the systems used. It was questioned whether the work to manage demand in these services was progressing as expected. It was recognised that the Council's spend on social care was higher than other similar London authorities, but did not always deliver better outcomes for the additional cost. By using learning from other local authorities, it was felt that better quality outcomes could be delivered at the same time as reducing costs to a level more in line with the London average. Given the vulnerability of many of those accessing these services, any change in social care needed to be managed extremely carefully and this remained a work in process.

As the Council had received criticism in the Report in the Public Interest about its commercial investments, it was questioned whether this option would be considered in the future. It was highlighted that commercialisation had been driven by central government, but past experience demonstrated that any such ventures needed careful planning to ensure they were executed effectively. It was unlikely that further commercial investment would be pursued in the near future as the Council had embarked upon a three year plan, with a focus on working within its existing financial envelope and a reduced appetite for risk.

In response to a question about the role of the political leadership in the Star Chamber process, it was confirmed that the Leader of the Council chaired the



process and the Cabinet Members for Croydon Renewal and Resources & Financial Governance attended each session along with the Chief Executive, Assistant Chief Executive and Section 151 Officer. The Star Chamber met with the management of each service and with the respective Cabinet Member to review budgets. The first round of the Star Chamber process had been completed and the second round had begun. It was confirmed that the process was led by the political leadership, who were working in collaboration with the corporate leadership to deliver a robust budget. Further assurance was given that a rigorous process was in place to test officers on the savings presented, with the information provided often reviewed at an almost granular level.

As a follow-up it was questioned how the information provided to the Star Chamber was tested. It was advised that the Star Chamber process provided the opportunity to challenge and test the budget proposals put forward by services. Having the opportunity to test and challenge individual budgets allowed the members of the Star Chamber to use their judgement on the deliverability of the proposals. Budget proposals would not be signed off without a robust delivery plan. It was confirmed that savings proposals were being generated from across the organisation, with it highlighted as an example that front line staff in Adult Social Care were being encouraged to submit ideas for efficiencies and managing demand.

It was confirmed that a dialogue had been opened with partners in the NHS about cost sharing in areas, such as hospital discharge, where joint working was delivering greater benefits to the health service. As would be expected, a strong business case driven by evidence was required to support the Council's position. These discussions were being managed on a directed basis, with an awareness of the short timescales for resolution. It was evident from the discussions that both sides appreciated the partnership working between health and social care and had shown a willingness to continue working together. However, in the event that these discussions were not successful, alternative plans were being prepared.

At the end of the questioning section of this item, the Chair thanked the Cabinet Members and officers for their attendance at the Committee meeting and the engagement with the questions of Scrutiny.

## **Conclusions**

At the end of this item, the Scrutiny and Overview Committee reached the following conclusions:-

1. From the evidence provided, the Committee concluded that the budget setting process seemed to have been significantly improved, with a greater degree of rigour than in recent years.
2. The information provided on the budget risks provided reassurance that there was a greater awareness and understanding of the potential risks to delivery. It was also recognised that a lot of the risks were outside the control of the Council and would require careful monitoring

to ensure that mitigating action could be taken at the earliest possible stage.

3. Given that the robust approach to budget setting was encouraging, it was agreed that embedding these processes as part of good practice across the Council should be a priority going forward.

## 85/21 **Annual Complaints Report**

The Committee considered the Annual Complaints Report which provided analysis of the complaint received by the Council. It was highlighted that due to a combination of factors, including the pandemic and the financial challenges of the Council, the report was delayed last year and as a result two years' worth of information had been provided.

During the introduction to the report the importance of the organisation using complaints to identify areas for improvement and understand the concerns of residents was highlighted. It was also highlighted that as part of the reorganisation of the Council, the Complaints Team and other resident access services had been brought together under the Chief Digital Officer. One of the key drivers for this was to better harness user feedback in driving service redesign and culture change across the organisation. An explanation was also provided for the Committee on what actually constituted a complaint being made, rather than a more general enquiry.

Following the introduction, the Committee was given the opportunity to ask questions about the information provided. The first question concerned the information provided on the Council's website about the complaints process and whether this needed to be reviewed. It was confirmed that the web page was being reviewed to make the difference between a service request and complaint clear for the public.

It was noted that the public may contact specific services directly to make a complaint and as such it was questioned whether these were being reliably recorded. It was advised that the standard of complaint recording varied from service to service, with some being very stringent in their reporting. Others were less so, but this could be for a variety of reasons, including the volume of contacts and whether an issue was resolved at the first point of contact.

It was highlighted that the Complaints team always tried to convey to other services that complaints should not be viewed as purely negative, instead they should be used to inform service improvement. It was an ongoing process to educate services on what a good complaints handling process looked like.

In response to a question about the reasons for changing the complaints handling software used by the Council, it was advised that the license cost for the previous system had been expensive and did not deliver the functionality expected. The new cost-effective solution was a low code system that could be maintained in-house. It was confirmed that although other local authorities

used a range of software solutions, the new system chosen by the Council was used by others.

Given the significant issues reported within the Housing Service earlier in the year, it was questioned how the Committee could be reassured that there was an adequate system in place to raise a 'red flag' if a lot of complaints were received on a specific problem. It was advised that a lot of lessons had been learnt in the Housing Service, with a new system in place to log complaints. There was still work to do on the repairs systems, but work was ongoing to introduce a standardised approach which interacted with other Council systems. At present, the Council did not have a single overarching system that could analysis and flag patterns of complaint, but this would be targeted as part of the refreshed Digital Strategy.

To address the specific issues with housing repairs, options being considered included the possibility of the Axis Repairs team co-locating with their counterparts at the Council and having a more robust system for following up with customers once repairs had been completed. Weekly meetings had been set up to monitor the Axis contract using data controlled by the Council, to ensure it was being delivered as expected.

It was confirmed that complaints were reviewed corporately on a monthly basis, allowing the leadership team to identify areas of concern. As the use of information improved it would allow specific issues to be pin pointed and addressed before they could develop into a larger problem. The Complaints team worked with external providers, such as Axis, to ensure the correct information was provided. It was also confirmed that the Complaints team met with the leadership team of each directorate on a monthly basis to ensure there was a regular review on the use of complaints, in order to drive improvement.

In response to a question about whether individual Cabinet Members had sufficient oversight of the complaints received for their specific areas of responsibility, it was advised that at this stage reassurance could not be given that this was definitely happening. However, with new reporting systems being installed, it was hoped that by the time of the next annual report, complaints would be routinely reviewed by all Cabinet Members.

It was confirmed that each service had a single point of contact for complaints, which enabled the Complaints team to develop a consistent approach to complaint handling. In additional, information was provided on the Council's intranet to instruct staff on the complaints process.

At the conclusion of the questioning section of this item the Chair thanked the officers involved for their engagement with the Committee, both at the meeting and in the lead up, which had helped to provide reassurance that the process for handling complaints at the Council was heading in the right direction.

## **Conclusions**

Following its discussion of the Annual Complaints Report, the Scrutiny & Overview Committee reached the following conclusions: -

1. The openness of the Complaints team to engage with the Scrutiny & Overview Committee, along with the quality of the report provided, was commended.
2. It was accepted that the Council was in the process of putting a much more robust system in place for handling and monitoring complaints, but issues such as the need to replace the telephony system and the need to change the complaint handling system twice in a short period of time had hampered progress.
3. Although some services had a positive attitude towards complaints, the Committee remained unconvinced that the culture of the Council had changed sufficiently to move towards a more open system of using complaints to drive service improvement.
4. The Committee would request that future reports evidence how the culture of the Council has changed towards complaints and provide examples of where complaints data has been used to influence service improvement.
5. It was accepted that due to changes in the complaints reporting system, a process for Cabinet Members to routinely monitor the complaints received in their areas of responsibility had not been put in place. However, if this was not in place and evidenced when the Committee next considered the Annual Complaints Report, it would be a cause for significant concern.

86/21 **Scrutiny & Overview Work Programme 2021-22**

The Committee considered its work programme for the remainder of 2021-2022.

**Resolved:** That the Scrutiny and Overview Committee work programme be noted.

87/21 **Exclusion of the Press and Public**

This motion was not required.

The meeting ended at 9.54 pm

**Signed:**

**Date:**



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# Agenda Item 5

<b>REPORT TO:</b>	<b>Scrutiny and Overview Committee</b> <b>7<sup>th</sup> December 2021</b>
<b>SUBJECT:</b>	<b>Financial Performance Report – Month 7 October 2021</b>
<b>LEAD OFFICER:</b>	<b>Richard Ennis, Interim Director of Finance, Investment and Risk (S151 Officer)</b>
<b>PUBLIC/EXEMPT:</b>	Public

<b>ORIGIN OF ITEM:</b>	This report provides the Overview and Scrutiny Committee with details of the last monthly monitoring information provided to Cabinet and noted by them on 6 December 2021 for consideration by this committee.
<b>BRIEF FOR THE COMMITTEE:</b>	The Scrutiny and Overview Committee is asked to:- <ol style="list-style-type: none"><li>1. Note the contents of the Cabinet report considering the Period 7 financial monitoring position and forecasts as set out in the appendices to this report.</li><li>2. Considered whether there are any areas of in need of further scrutiny that should be scheduled for later in the year by either the Committee or one of its Sub-Committees.</li></ol>

## **1. FINANCE PERFORMANCE REPORT – MONTH 7: OCTOBER 2021**

- 1.1. The Scrutiny and Overview Committee is provided with a copy of the Month 7 Finance Performance report due to be considered by the Cabinet at its meeting on 6 December 2021. This report has been include on the agenda to ensure the Committee has an overview of the current financial performance in regards to the delivery of the 2021-22 budget.
- 1.2. The report is also provided as a tool for the Scrutiny & Overview Committee to identify whether there are any areas of concern within the report that should be scheduled for further scrutiny later in the year by either the Committee or one of its Sub-Committee.

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**REPORT AUTHOR:** Simon Trevaskis – Senior Democratic Services & Governance Officer

### **APPENDICES:**

Appendix A – Cabinet Report – Financial Performance Report – Month 7

Appendix A1 - Service Budgets and Forecasts

Appendix A2 - Capital Programme

**BACKGROUND DOCUMENTS:** None





<b>REPORT TO:</b>	<b>Cabinet 6<sup>th</sup> December 2021</b>
<b>SUBJECT:</b>	<b>Financial Performance Report – Month 7 (October 2021)</b>
<b>LEAD OFFICER:</b>	<b>Richard Ennis, Interim Corporate Director of Resources (Section 151)</b>
<b>CABINET MEMBER:</b>	<b>Councillor Callton Young OBE Cabinet Member for Resources and Financial Governance  Councillor Stuart King, Deputy Leader (Statutory) and Cabinet Member for Croydon Renewal</b>

**SUMMARY OF REPORT:**

This report provides the Council's annual forecast as at Month 7 (October 2021) for the Council's General Fund (GF), Housing Revenue Account (HRA) and the capital programme. The report forms part of the Council's financial management process of publically reporting financial performance against its budgets on a monthly basis.

**FINANCIAL IMPACT**

The Month 7 position is currently indicating a net underspend of £0.421m against budget – this represents a £1.020m favourable movement against the Period 6 forecast. This is before taking into account further risks and risk mitigations. In total, £11.777m (Month 6 £10.464m) of further risks (of which £5.272m relates to approved MTFs savings risks) are identified against which £11.259m (Month 6 £11.866m) of potential opportunities are identified and set out in the body of the report. Section 3 details these risks and risk mitigations and further discusses the impact on the General Fund if these were to materialise.

The HRA is indicating an over spend of £0.786m (Month 6 £0.733m) against budget. This overspend is further detailed within Section 5 of the report.

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below

**1. RECOMMENDATIONS**

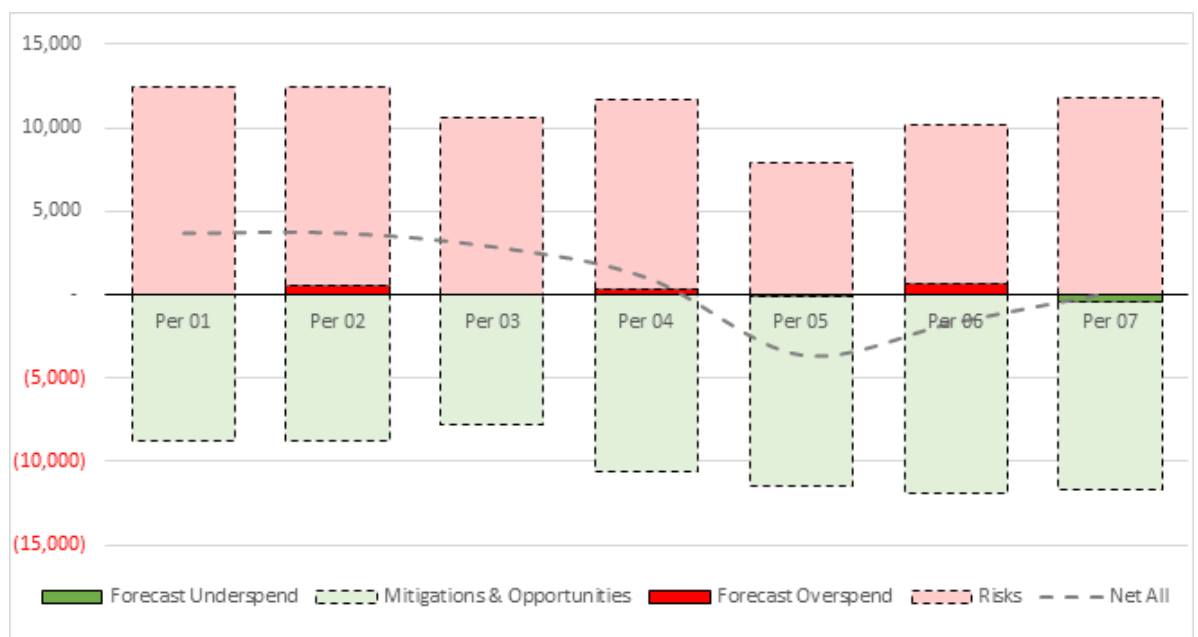
- 1.1 Cabinet are asked to note the General Fund is projecting a net favourable movement of £1.020m from Period 6. Service directorates are indicating a £3.030m overspend (Month 6 £4.050m) with this being netted off as in the past six months against the release of a one off Covid Grant (£3.451m released = 31% of the grant) confirmed to Croydon Council for 21/22 by DLUHC as part of the Local Government Finance Settlement;

- 1.2 Note that a further number of risks and compensating opportunities may materialise which would see the forecast year-end variance change and these are reported within Section 3 of this report. Should these risks materialise or the mitigations not be effective the Council could overspend by £11.356m (Month 6 £11.063m). However to note the Council does have the £7.799m of covid grant that can be used to offset such pressures.
- 1.3 Note the Housing Revenue Account (HRA) is projecting a £0.786m (Month 6 £0.733m) overspend for 2021/22. If no further mitigations are found to reduce this overspend the HRA will need to drawdown reserves from HRA balances. There are sufficient balances to cover this expenditure.
- 1.4 Note the capital spend to date for the General Fund of £13.593m (against a budget of £188.688m) and for the HRA of £9.915m (against a budget of £183.209m), with a projected forecast variance of £45.472m on the General Fund against budget and £7.184m forecast variance against budget for the Housing Revenue Account;
- 1.5 Note, the above figures are predicated on forecasts from Month 7 to the year end and therefore could be subject to change as forecasts are refined and new and updated information is provided on a monthly basis. Forecasts are made based on the best available information at this time.
- 1.6 Note that whilst the Section 114 notice has formally been lifted, the internal controls established as part of the S114, such as the Spend Control Panel and Social Care Placement Panels remain. Restrictions have been lifted for ring-fenced accounts such as the Pension Fund, Housing Revenue Account and Coroner's Expenditure as these are directly outside of the General Fund's control. The Spending Control Panel which was set up at the beginning of November 2020 continues to meet on a twice daily basis.
- 1.7 Note that the Council has received a one off financial sum of £2.36m from the Government to help cover the pressures related to Unaccompanied Asylum Seeking Children (UASC) and care leavers which Croydon bears disproportionately to other local authorities due to the siting of the Home Office's Lunar House. However this means the Council and Croydon tax payers still fund £1.615m of disproportionate costs in this financial year post the Grant support. These costs will continue throughout the MTFS for which the Government has not indicated any financial support to date.
- 1.8 Note that in addition to the UASC pressures, Croydon Borough has taken on c1000 asylum seekers who have been placed in eight hotels by the Home Office without consultation with the Council. The hotel costs are funded by the Home Office, however the Council is be responsible for further ancillary services particularly around safeguarding, public health, children & youth provision and broader community support. These additional costs, which are currently being calculated have been flagged within the unquantified risks section of this report, and could clearly result in further financial pressures for the Council.

## 2. EXECUTIVE SUMMARY

- 2.1. This reports sets out the Council's current General Fund revenue budget projected outturn for the full financial year 2021-2022 as at Month 7, October 2021.
- 2.2. The General Fund revenue projected outturn forecast has improved by £1.020m from a forecast over spend position of £0.599m in Month 6. The main cause of this movement has been due to further detailed work being done within the parking service to ensure confidence in the forecast.
- 2.3. There are a further set of risks and opportunities, which indicate a cost of £0.518m (risks £11.777m and opportunities of £11.259m), but not yet sufficiently developed to be included in the outturn forecast. Should these materialise it will have a negative impact on the forecast.
- 2.4. The chart below illustrates the trend in the monthly monitoring reports and shows both the forecast as well as quantum of risks and opportunities together with the impact should all risks and opportunities fully materialise (dashed line)

### Monthly Forecast, Risk & Opportunity Tracker



- 2.5. The Housing Revenue Account is forecasting an over spend of £0.786m (an increase of £0.053m on the Month 6 forecast of £0.733m). This projected variance impacts on HRA reserves rather than GF reserves.
- 2.6. The capital programme for both the General Fund and HRA is reporting a spend to date of £23.508m against overall budget of £321.897m, with a forecast underspend of £52.656m.

- 2.7. The Financial Performance Report (FPR) which will continue to be presented to each Cabinet meeting provides a detailed breakdown of the Council's financial position and the challenges it faces. It covers the GF, HRA and capital programme and ensures there is transparency in our financial position, enables scrutiny by both members and the public, and offers reassurance as regards the commitment by chief officers to more effective financial management and disciplines.
- 2.8. The 2020/21 financial year was a very difficult year for the Council. The former Director for Finance, Risk and Insurance (Section 151 Officer) had to issue the Council's very first S114 notice in November 2020. A further S114 notice was issued on the 2 December 2020 as the Council continued to overspend significantly without having sufficient resources to cover the overspends. Since 8<sup>th</sup> March 2021 the S114 notice has been lifted as the Council received confirmation of a Capitalisation Direction from MHCLG of up to £70m for 2020/21 and MHCLG were minded to fund £50m for 2021/22. The latter allowed the 2021/22 budget to be set.
- 2.9. The Council has had the benefit of a number of recommendations from various stakeholders and scrutiny panels such as the external auditor's Report in the Public Interest and the Non-statutory Rapid Review by MHCLG. Their recommendations have been taken on board and the Croydon Renewal Plan has been developed which will over the medium term financial strategy period restore the Council's finances to balance and develop a more effective system of internal control amongst other improvements to the Council.
- 2.10. This report forms part of the reporting framework on the delivery of the Croydon Renewal Plan by ensuring the delivery of the council's budget is reported monthly and transparently.
- 2.11. The Council is still working with the external auditors on finalising the 2019/2020 audit of accounts however the 2020/2021 Outturn has now been presented to Cabinet on 12<sup>th</sup> July 2021 based around their findings and the accounts have also been published for 2020/2021.

### **3. FINANCIAL POSITION**

- 3.1. The FPR shows that the Council is forecast to have a General Fund net underspend variance of £0.421m (after drawing down on £3.451m of covid-related grant reserves) – a favourable movement of £1.020m on the net forecast reported at Month 6. The HRA is projecting a £0.786m overspend before risks mitigations. The current financial forecast is based on the known position at the time of writing this report. It is important that Cabinet is aware of the much higher profile that the process has within the Council with iterations of the report going through a range of formal officer meetings including directorate meetings, Corporate Management Team and informal meetings with the Leader and Cabinet.

- 3.2. Work is ongoing in directorates to review the forecast position for each area and MTFs savings and risks to reduce any overspends and identify further options to mitigate these. Further details and options identified will form part of future monthly Finance Performance Reports.
- 3.3. In 2020/2021 the monitoring forecasts presented details of Covid funding that the Council had received from Central Government, however the Government has not provided any further indication that it seeks to continue to fund Local Government in relation to Covid pressures and thus this section has been removed from 2021/2022.
- 3.4. A detailed review of the corporate budgets is also being carried out that will feed into the MTFs and inform any opportunities that may arise as a result of the review. This will be further detailed within the Period 8 monthly FPR report.
- 3.5. The forecast outturn position of the General Fund is shown below in Table 1.

**Table 1 – Month 7 Projection per Directorate**

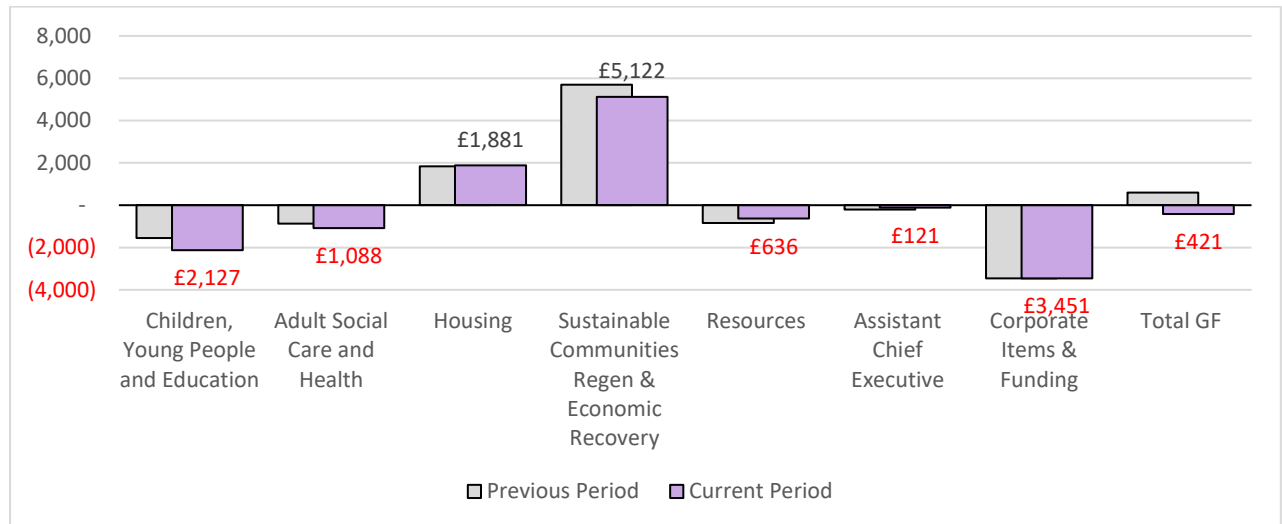
	Month 7	Month 6			
	Forecast Variance	Forecast Variance From Previous month	Change from previous month	Savings Non-Delivery	Other Pressures
	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
Children, Young People and Education	(3,742)	(3,148)	(572)	-	(3,742)
UASC	1,615	1,615	-	-	1,615
Adult Social Care and Health	(1,088)	(869)	(219)	-	(1,088)
Housing	1,881	1,838	42	-	1,881
Sustainable Communities Regen & Economic Recovery	5,122	5,672	(572)	3,000	2,122
Resources	(636)	(848)	212	-	(636)
Assistant Chief Executive	(121)	(210)	89	-	(121)
<b>Departmental Total</b>	<b>3,030</b>	<b>4,050</b>	<b>(1,020)</b>	<b>3,000</b>	<b>30</b>
Corporate Items & Funding	(3,451)	(3,451)	-	-	(3,451)
<b>Total General Fund</b>	<b>(421)</b>	<b>599</b>	<b>(1,020)</b>	<b>3,000</b>	<b>(3,421)</b>

- 3.6. Net overspends and underspends within the service budgets are presented as forecast variance (as per Table 1), and are additionally classified as either non-delivery of agreed savings or other pressures. Non-delivery of savings relates to the non-achievement of the approved MTFs savings whilst other pressures are as a result of new and external pressures not previously provided for within

the Council's 2021/2022 Budget. Further explanations of these overspends are provided within Section 4 of this report.

3.7. The chart below shows the forecast by service department for both the current and previous month:

**Change in forecast position month 7**



3.8. The main areas of movement from Month 6 are as follows:

- Adult Social Care and Health £0.219m **favourable** movement due to a underspend on re-ablement costs and the continuation of the NHS Hospital Discharge Programme for Covid (£0.513m) and underspends due to vacancies;
- Sustainable Communities, Regeneration and Economic Recovery **favourable** movement of £0.572m due to staff underspends across various teams within the Directorate.
- Resources £0.212m **adverse** movement, principally related to overspends in staffing costs across various teams.
- Housing £0.042m **adverse** movement.
- Children Young People and Education indicating an overall £0.572m **favourable** movement due to further reductions within the placement spend as part of the ongoing work to reduce costs without impacting on service delivery to clients.
- Unaccompanied Asylum seeking Children (UASC) – The Council will face £1.615m of UASC pressures due to significant demand within the Borough. The original pressure was £4.5m however the Council has been able to

secure one off grant funding of £2.36m from Central Government and there has been further reduction in costs.

Further details can be found in section 4 of this report.

### **Risks and Risk mitigations**

- 3.9. As mentioned within paragraph 3.1 the forecast has been reported excluding further potential risks and risk mitigations. Risks and risk mitigations are split into quantified and unquantified items.
- 3.10. As with the forecast set out in Table 1 risks are separately reported for those elements that relate to potential under-delivery of approved savings, and those that are new and not directly related to agreed savings plans.
- 3.11. Table 2a below provides for details of MTFS savings at risk with a brief commentary of the projects that are at risk of delivery and Table 2b provides a list of quantified and unquantified other risks. The savings are subject to a separate assurance process involving both the Chief Executive and the Corporate Director of Resources (Section 151) meeting with the directorates and the Director of policy and programmes. The most recent of these was in early November.
- 3.12. These meetings identify savings at risk and mitigations for both the current and future years. Where risks are quantified currently, these are based on high level information and directorate experiences of the service. Parking Savings continue to be an issue due to further considerations of the March Budget decisions and therefore with 7 months of the year now passed it is very likely these specific savings will not be delivered in full.
- 3.13. The rest of the services are sufficiently confident in being able to manage or mitigate these risks that they are not included as part of the present forecast year-end position. However, the figure has been provided to indicate to Cabinet the likely financial impact on the budget and therefore the need to take action to deal with the risk should they materialise.

**Table 2a – MTFS Savings Risk**

MTFS Savings Ref	MTFS Savings Description	Savings at risk	Savings at risk	Change From Prior Month
		(£,000's)	(£,000's)	(£,000's)
CFE Sav 09	Review Children's Centres Delivery Model	165	0	165
CFE Sav 12	Early Learning Collaboration Contract	82	0	82
<b>Children, Young People and Education Total</b>		<b>247</b>	<b>0</b>	<b>247</b>
<b>Adult Social Care and Health Total</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Housing Total</b>		<b>0</b>	<b>0</b>	<b>0</b>
PLA Sav 24	Parking charges increase 30p/30min	2,000	874	0
PLA Sav 10	ANPR camera enforcement	2,025	0	0
<b>Sustainable Communities Regen &amp; Economic Recovery Total</b>		<b>4,025</b>	<b>874</b>	<b>0</b>
<b>Resources Total</b>		<b>0</b>	<b>0</b>	<b>0</b>
COR Sav 17	Fees and Charges Reviews	1,000	0	1,000
<b>Corporate Items &amp; Funding Total</b>		<b>1,000</b>	<b>0</b>	<b>1,000</b>
<b>Assistant Chief Executive Total</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Savings at Risk</b>		<b>5,272</b>	<b>874</b>	<b>1,247</b>

Data above taken from Savings Tracker 17<sup>th</sup> November 2021

3.14. Table 2a indicates that there are potential £5.272m worth of MTFS savings (£0.874m in Month 6) that may not be achieved, however services are currently carrying out further work to ensure these can be delivered or otherwise be mitigated. So far no specific mitigations have been fully identified. Large proportion of the £5.272m risk relates to non-achievement of additional parking income due to demand for parking spaces still being impacted by changed resident behaviour following Covid-19, and downward pressures on demand for



a range of services where the Council anticipated further income from increasing fees and charges.

- 3.15. These savings are reviewed on a monthly basis. If these savings are deemed to be definitely non-deliverable they will be factored into the monthly forecast and incorporated into the forecast outturn position provided in Table 1. The services have been instructed to find mitigations for all savings that cannot be delivered to meet their budgetary total per directorate.
- 3.16. The main cause of the movement is to do with fees and charges across all services. As a result of Covid, demand levels for services have continued to remain low and the planned increase in fees and charges will not lead to the level of income anticipated in year.
- 3.17. Section 4 gives details of all the movements between month 7 and month 6 and identifies any movements in delivery of MTFs savings, risks and mitigating items that are factored into the forecast assumptions.

**Table 2b – Other quantifiable and unquantifiable risks**

Quantified Risks	P7 £'000	P6 £'000	Details of Risk
Children, Young People and Education	160	160	<b>£160k</b> - Education service for schools (Covid impact on income generation)
Adult Social Care and Health	3,050	3,200	<b>£550k</b> - Transitions - value of late prior year payments based on 20/21 <b>£2.5m</b> - Adult social care operational risks
Housing	396	430	<b>£96k</b> - Demand for Emergency/Temporary Accommodation likely to increase. <b>£300k</b> Bad debt costs - Current arrears are increasing in 2020/21 due to lower collection rates in the first part of the year (Covid related). When this debt becomes 'former' as tenants move on then recovery rates drop to between 5% and 30%. Potential additional debt costs of £300k-£800k beyond total presented based on current calculation methods.
Sustainable Communities Regen & Economic Recovery	2,899	5,400	<b>£1.699m</b> - Additional risk to income due to progression of schemes and decision making along with compliance in high PCN yield areas has increased and so put more income at risk than previously stated. The service are reviewing the modelling and programme for future schemes to explore any mitigation factors that can be implemented to keep the financial risk to a minimum.

			<p><b>£240k</b> - Food Safety Team have an establishment gap budget, this has resulted in no recruitment to these roles and a pressure on the work they perform. This could result in action from the Food Standard Agency so needs to be carefully monitored maximum exposure if staff need to be recruited £240k.</p> <p><b>£800k</b> - Potential claim in relation to the waste disposal contract</p> <p><b>£160k</b> - Potential payment to BoxPark for an additional 6th year of contract that was agreed last year. The 5yr contract ended in 20/21. This is being negotiated with BoxPark as part of a fuller discussion regarding outstanding loan repayments.</p>
Resources	-	400	<b>£400k</b> - Insurance and Risk - forecast to budget on basis that schools income pressure can be mitigated by reduction in premiums and claims - risk is currently up to £400k - This risk have been moved to unquantified risk as a result of detailed work to done to forecast the level of Insurance and Risk provision that will be required as at month 6.
Assistant Chief Executive	-	-	
<b>Total Quantified Risks</b>	<b>6,505</b>	<b>9,590</b>	

Un-Quantified Risks	P7 £'000	P6 £'000	Details of Risk
Children, Families and Education	-	-	In addition to the UASC pressures, Croydon Borough has taken on c1000 asylum seekers who have been placed in eight hotels by the Home Office. The hotel costs are funded by the Home Office, however the Council will be responsible for further ancillary services particularly around safeguarding, public health, children & youth provision and broader community support. These additional costs, which are being worked out and have been flagged within unquantified risks, could result in further pressures for the Council. The Council is modelling the potential impact and will report the position in P8.
Adults, Health and Social Care	-	-	<b>TBC</b> - Impact of long Covid - not quantifiable at this stage
	-	-	<b>TBC</b> - Potential for further NHS funding for Covid depending on 3rd wave impact - not known at this stage

	-	-	<b>TBC - Care sector pressures</b> - The pressures in the social care sector nationally are well known. There are high levels of vacancies which is exacerbated by the forthcoming compulsory vaccinations for care home staff. This may result in providers not being able to provide care safely or within their financial envelope. Increasing utility costs is also a financial pressure. These additional pressures may lead to provider failure and the need to re-provision care with other providers which usually results in higher costs.
Housing	-	-	<b>NRPF (No Recourse to Public Funds) Service</b> is demand led. Brexit - EA Nationals in Croydon need to confirm their status and apply for the correct legislation to continue to receive benefit payments, if this is not actioned they will revert to NRPF
	-	-	<b>NRPF (No Recourse to Public Funds) Service</b> is demand led. Mental Health/CCG - expensive care placements, due to some cases having a criminal element it takes longer for the HO to make a decision resulting in a longer placement  <b>Bad debt provision</b> to cover risks of non-payment of outstanding rents is included within the current forecast for Temporary accommodation however COVID impact may increase the % levels of bad debt
Sustainable Communities Regen & Economic Recovery	-	-	<b>SEN PRESSURE</b> - Some routes split due to Covid social distancing role, No Travel Training occurring over the last 12 months, this potentially has an impact of around £1million/year, Addington Valley Academy additional students, Single students attending schools, Changes to contractors providing services in year, due to performance issues.
	-	-	<b>TBC</b> - Waste Collection and Street Cleansing Contract - Income Risk to Commercial Waste Income Collection in 20/21 due to COVID & 21/22 - under commercial dialogue with Veolia
Resources	-	-	<b>Insurance and Risk</b> - forecast to budget on basis that schools income pressure can be mitigated by reduction in premiums and claims.
	-	-	<b>Revs and Ben Income</b> - There are streams of income budget across this service such as Land charges, Court cost and Bailiff - current forecast are based on the assumption that the trend of income received to date continues or in the case of Land charges that it's income which is mostly based on the number of new build registered with the council etc. continue as it is in the last 2 months. There is the possibility that these trends could change thereby resulting in risk/ opportunities.

	-	-	<p><b>Legal Recharges.</b> Risk that legal internal recharges forecast is too high. This is currently being followed up and investigated. Risk that internal legal recharges income does not match the legal recharges expenditure forecast by services charged</p> <p><b>Unreconciled holding accounts for BIDS, HR Staff Loans and P-Cards.</b> Risk that holding accounts will not be able to be reconciled and some balances transferred as pressures into forecast</p> <p><b>TBC - Further commercial tenants</b> are not able to pay rental income and will need to be written off, or will give notice on leases</p>
Corporate Items & Funding	-	-	None
Assistant Chief Executive	-	-	<b>CDS</b> - There is the risk of increased contract cost when actual invoices are received - current forecast is based on two months of invoicing, there are also outstanding contractual queries around End user service volumes as they are not reducing as anticipated.
<b>Total Un-Quantified Risks</b>			

3.18. Table 3 provide a list of quantified and unquantified risk mitigations. These are potential risk mitigations that will require further assurance to be included within the forecast. Services managers have identified these as potential mitigations to the risks identified Tables 2a and 2b. Any additional risk mitigations also help the overall financial position of the Council as these would help generate a larger underspend that can be put away into reserves to support future MTFS gaps.

**Table 3 - Quantifiable and unquantifiable opportunities**

Quantified Opportunities	P7 £'000	P6 £'000	Details of Opportunities
Children, Young People and Education	(1,307)	(607)	Transformation funding approved for a number of MTFS savings programme projects - <b>Reconfiguration of Early Help Services</b>
			Transformation funding approved for a number of MTFS savings programme projects - <b>Review of Children with Disabilities Care Packages</b>

			Transformation funding approved for a number of MTFs savings programme projects - <b>Reduction in the Numbers of Children in Care</b>
			Transformation funding approved for a number of MTFs savings programme projects - <b>Improve Practice System Efficiency</b>
			Placement Costs - Review of Accrual brought forward
Adult Social Care and Health	(1,307)	(2,000)	The impact of health funding / Scheme 3 funding on care packages: <b>(Lower £207k, Upper £830k)</b> . (Average of upper and lower). Update from Prior Month: Continuation of HDP funding until March 22
			Currently NHSE is taking views on the impact of this funding ending. We have input with SWLCCG requesting that funding continue to the end of the financial year.
Housing	(396)	(1,010)	Homelessness debt collection team currently protected from staff cuts - mitigate risk of debt costs <b>(projected as £300k)</b> being at <b>top end of scenario (£800k)</b> .
			Property acquisition coming into HRA portfolio will allow tenants in nightly paid accommodation to move onto Assured Shorthold Tenancies and reduce the impact of rising demand. This addresses the <b>£210k</b> of risk from homelessness demand shown but will be unlikely to impact the forecast as shown.
Sustainable Communities Regen & Economic Recovery	-	-	
Resources	(200)	(450)	<b>£200k</b> - FIR - There is the probability that the court cost income raised could be higher than what is currently being forecast
Assistant Chief Executive	(250)	-	<b>£250k</b> - CDS - Opportunity of greater under budget from Digital Advertising Income.
Corporate Items & Funding	(7,799)	(7,799)	Potential reduced spend against the Covid Grant
<b>Total Quantified Opportunities</b>	<b>(11,259)</b>	<b>(11,866)</b>	
<b>Un-Quantified Opportunities</b>	<b>P7 £'000</b>	<b>P6 £'000</b>	<b>Details of Opportunities</b>

Children, Families and Education	-	-	<b>TBC</b> - Corporate distribution of contact inflation and staffing budget deficits for 0.75% 2020/21 pay award and pension employer contribution
	-	-	<b>WIP</b> - Placement costs – validation of growth approved currently being completed
	-	-	<b>WIP</b> - CSC establishment review coming to a conclusion and is expected to realise sufficient savings to mitigate against savings at risk due to delay in completion of the respective MTFS delivery plans
	-	-	<b>WIP</b> - Transformation funding approved for a number of MTFS savings programme projects
Adults, Health and Social Care	-	-	
Housing	-	-	<b>TBC</b> - Leases – renegotiate the lease. Need to confirm the numbers due to expire this financial year
	-	-	<b>TBC</b> - Review of under occupied tenancy
Sustainable Communities Regen & Economic Recovery	-	-	None
Resources	-	-	None
Assistant Chief Executive	-	-	The Council has received further Contain Outbreak Management Fund monies (COMF). The Council has now understood the grant conditions and will be allocating this funding to relevant expenditure as required under the conditions.
Corporate Items & Funding	-	-	None
<b>Total Un-Quantified Opportunities</b>			

3.19. As at Month 7, if all risks and risk mitigations were to materialise, along with the forecast reported in Table 1 the General Fund would overspend by £0.097m (Table 4), however some of the risks and mitigations will need further refining and validating to confirm the likelihood of them materialising. The situation will be clarified as the year progresses and the monthly budget reports show more detail on the patterns of income and expenditure and the longer term impact of Covid on Council services becomes clearer. Service managers have been instructed to identify and implement mitigations to spend within their approved funding envelopes. As such compensating measures are developed the impact of the net risks is expected to decline. Successful examples of this are the reduced risks and increased opportunities.

- 3.20. A number of the projected variances or risks relate to the continued impact of the Covid pandemic and would not be expected to continue for the whole year or over future years. In particular parking and traffic income continues to be affected for which part grant compensation is only receivable for the first quarter of 2021/22. Other pressures such as SEN costs (with no grant funding) have been impacted in delays in delivering travel training impacting on transport cost pressures.
- 3.21. There are however areas where budgets will need to be reviewed with a view to being rebased as they were not adjusted as part of the right sizing of budgets in the 2021/2022 budget setting. Two significant areas that will need to be reviewed before budget setting in 2022/2023 are SEN transport costs, and costs relating to Emergency and Temporary accommodation. Additional costs arising will need to be funded from within the existing Council wide budget envelope.

#### **4. SERVICE VARIANCE DETAIL**

##### **4.1. Children, Young People and Education (CYPE)**

The CYPE directorate is forecasting a £2.127m underspend for Month 7 (favorable movement of £0.572m from Month 6) within the directorate.

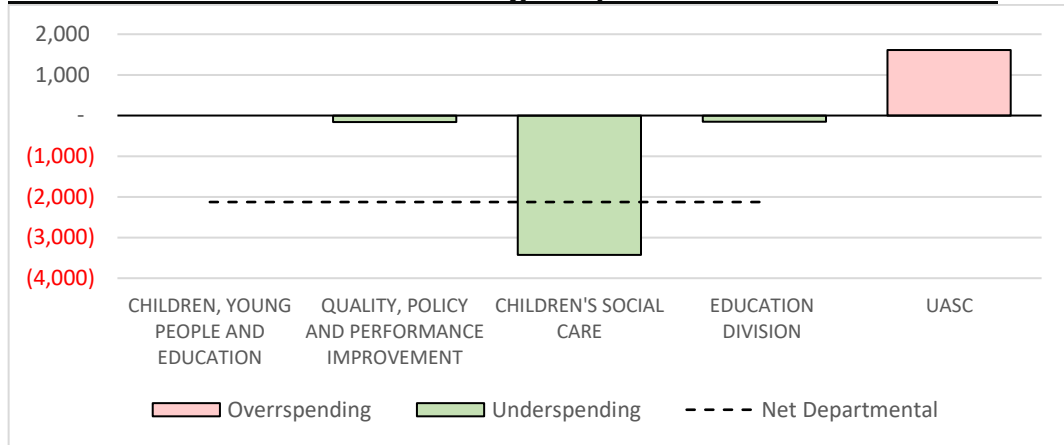
The main cause of this is due to under spends in relation to under 18 placements and 18+ leaving care placement which have been realised as part of the recent review, and underspend on staffing within social care.

UASC pressures continue to impact on the Council's finances, with a projected additional pressure of £1.615m. Whilst the Government provided the Council with £2.36m in one off USAC funding, that was based on an agreed number of over 18 non-eligible children between the Council and Home Office. Further analysis will be undertaken to fully understand the underlying causes of the ongoing pressure to inform further discussions/negotiations with the Home Office and Department for Education.

There are £0.247m of MTFs Savings at risk at Month 7. There are opportunities identified of £1.307m.

The following chart illustrates the divisional forecast variances within Children young People and Education:

### Divisional View of Children Young People & Education Forecasts



#### 4.2 Adults Social Care and Health Social Care

The ASCH directorate are forecasting an under spend of £1.088m (a favourable movement of £0.219m from Period 6).

The main cause of this favourable movement is due to an under spend on reablement costs due to the continuation of the NHS Hospital Discharge Programme for covid (£0.513m) and underspends due to vacancies.

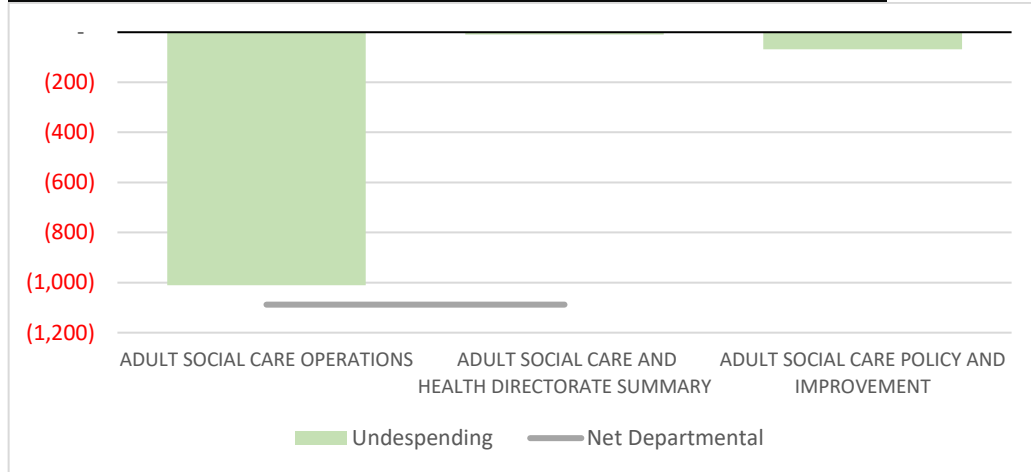
Whilst the directorate is showing an under spend, Table 2b identifies a further £3.050m of potential additional risks. Of the risks identified £0.700m that relate to transitions of children social care clients to adult services have not moved since the last report and still remain the same and new risks of Adult social care operational risks have also been identified.

There are no MTFs savings at risk of delivery, however further unquantified risks due to long Covid have been identified at month 6. There are opportunities identified of £1.307m.

The following chart illustrates the divisional service forecast variances within Health, Wellbeing and Adults:



### Divisional View of Adult Social Care and Health Forecasts



### 4.3 Housing

Housing Directorate is forecasting an over spend of £1.881m. This is an adverse movement of £0.042m to the projection reported at Month 6.

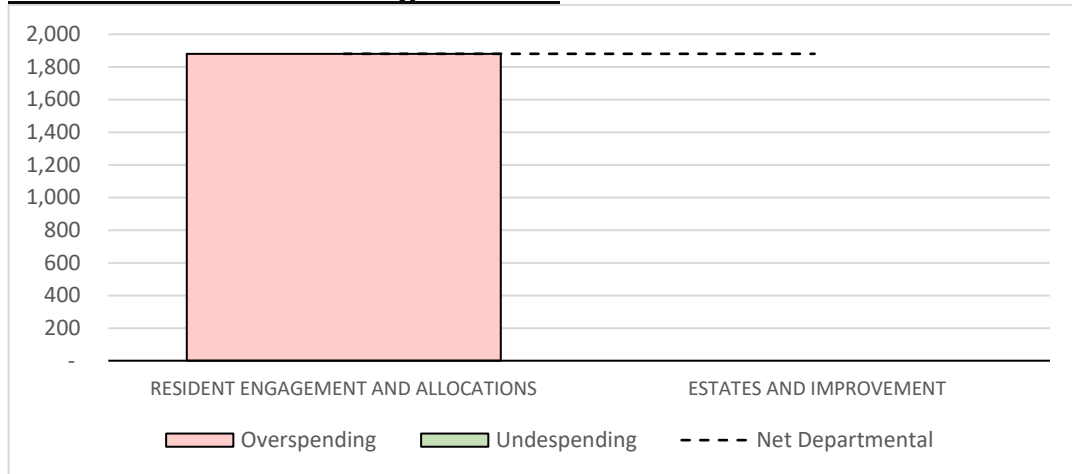
The main cause of this movement relates to cost and demand increases within the Emergency and Temporary Accommodation services. Demand for Emergency Accommodation is assumed to increase due to the negative economic after effects of Covid-19. Furthermore, this is also likely to impact the need to maintain a sufficient level of bad debt provision to cover risks of non-payment of outstanding rents.

Furthermore the service has identified £0.396m of other risks relating to potential further temporary accommodation pressures emerging. Further work will be done to ensure the bad debt risks are minimised and that the risk does not materialise.

There are no MTFs savings at risk of delivery, however further unquantified risks due to housing demand pressures and income collections risks have been identified. There are opportunities identified of £0.396m. Additional grant funding of £1.51m has been received from Government to tackle homelessness through prevention work. This grant comes with significant conditions in terms of its usage and the service are working to apply the grant as per the conditions and whether it can be applied towards reducing in year pressures. However, due to the time taken to mobilise prevention work it is felt that this funding will not benefit the Council in the current year but will support future year homelessness costs.

The following chart illustrates the divisional forecasts within the department:

### Divisional View of Housing Forecast



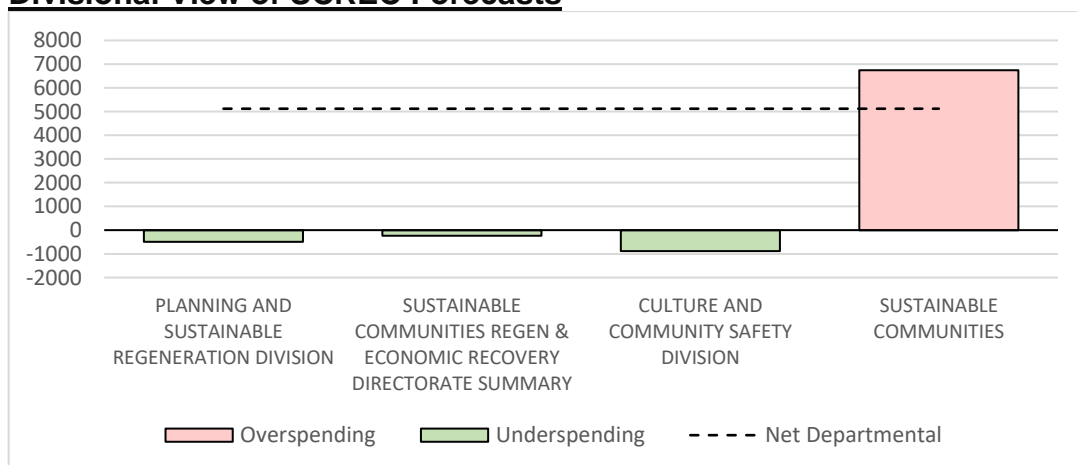
### 4.4 Sustainable Communities Regeneration & Economic Recovery (SCREC)

The SCREC directorate is forecasting a net overspend of £5.122m (a favourable movement of £0.572m from Month 6). The pressures continue to be around Highways, SEN Transport and Environmental services.

In addition to the forecasted overspend the SCREC directorate, the directorate have provided for further risks as indicated in Table 2a and 2b. These risks include £4.025m of MTFS Savings and £2.89m for other risks. MTFS savings risks relate to the fall in Pay & Display parking income and income generated from new and existing ANPR Camera enforcement activity. Additional, risks have been identified mainly around loss of parking income and compliance in high risk yield areas and a potential claim in relation to the waste disposal contract.

There are no further opportunities identified by the SCREC directorate. The following chart illustrates the nature of the overall SCREC Directorate forecast position by Division:

### Divisional View of SCREC Forecasts



## 4.5 Resources

The Resources directorate is forecasting a underspend position of £0.636m (underspend £0.858m in Month 6). This is a net position after factoring all budgeted income and expenditure within the directorate.

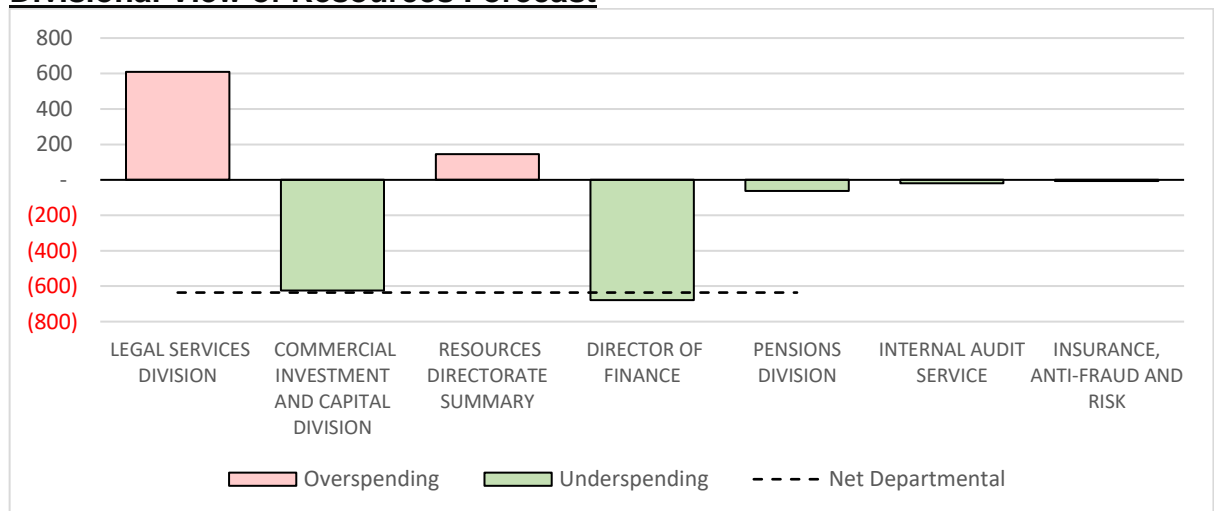
The main reasons for this underspend relate to better than projected collection of court cost income in relation to Revenue & Benefits activities and various staffing related underspends. Main causes of staff related underspends are for vacancies not being filled, and savings on contracts.

Further work on unquantified risks that had been identified is ongoing and whilst they may still materialize work is ongoing to try and work to mitigate these as we progress through the financial year.

Resources have identified further £0.400m of opportunities which would arise from recoupment of court costs in relation to our Revenues and Benefits service.

The following illustrates the split of the overall departmental forecast at a divisional level:

### **Divisional View of Resources Forecast**



## 4.6 Assistant Chief Executive

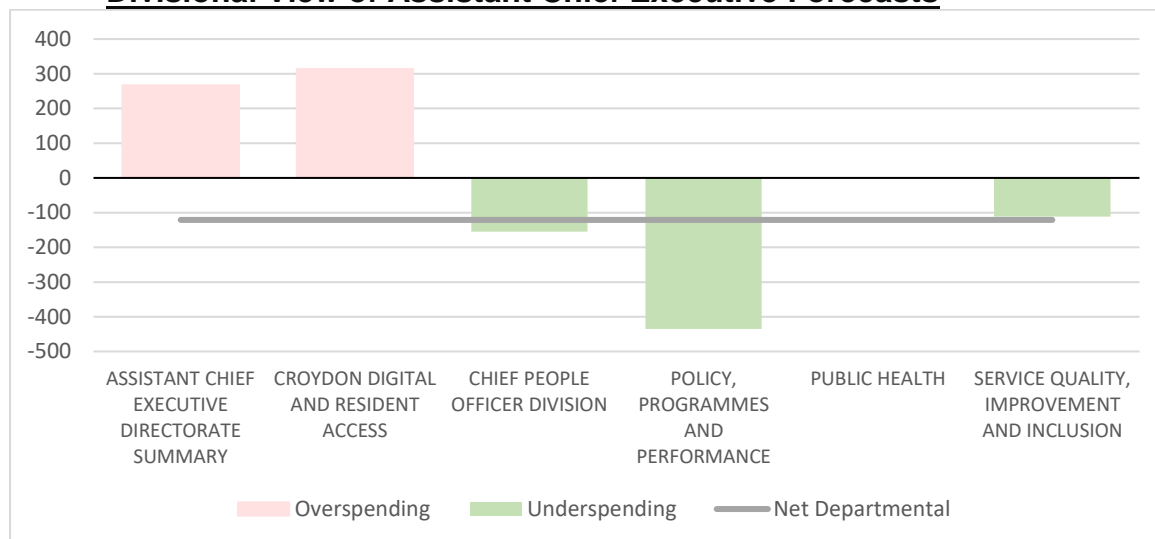
The ACE directorate is forecasting a underspend position of £0.121m (underspend £0.210m in Month 6). This is a net position after factoring all budgeted income and expenditure within the directorate.

The main reasons for this underspend relate to various staffing related underspends. Main causes of staff related underspends are for vacancies not being filled, and savings on contracts.

ACE have identified further £0.250m of opportunities which would arise from increased income from digital advertising

The following illustrates the split of the overall departmental forecast at a divisional level

### **Divisional View of Assistant Chief Executive Forecasts**



## **4.7 Corporate**

The Council received a non-fenced grant of £11.250m from Central Government in relation to additional costs that may be incurred in the current financial year as a result of Covid 19 and was announced in the December Local Government Finance Settlement. Any costs incurred by directorates are expected to be met from existing service budgets and the grant is available to meet any additional service costs over expenditure. Where practicable additional costs including lost income arising from Covid will be identified and reported separately in future reports. The forecast General Fund variance of £3.030m is currently offset by utilizing £3.451m of this grant.

Currently all pressures within services have been identified within the forecast and risks and therefore we believe that the remaining of the £11.250m of Covid funding, which is £7.799m will be used to offset the additional risks.

- 4.8 The cost of financing the capital programme is retained corporately. This is still being reviewed and an updated position will be provided in Month 8, however we do not anticipate any pressures to arise from these budgets.
- 4.9 MTFs savings of £1m relating to fees and charges have been identified. As a result of Covid, demand levels for services have continued to remain low and the planned increase in fees and charges will not lead to the level of income anticipated in year.

4.10 Table 4 below summaries the overall positions

**Table 4 – Summary – Month 7 with Month 6 Comparator**

	Month 7	Month 6	Variance
	(£,000's)	(£,000's)	(£,000's)
Table 1 - Forecast	(421)	599	(1,020)
Table 2a - MTFs Savings Risk	5,272	874	1,247
Table 2b - Quantifiable Risks	6,505	9,590	66
Table 3 - Quantifiable Opportunities	(11,259)	(11,866)	607
<b>Total</b>	<b>97</b>	<b>(803)</b>	<b>900</b>

## 5 Housing Revenue Account (HRA)

5.1 Table 4 provides a summary of the HRA Month 7 monitor, which is currently indicating a £0.786m overspend (Month 6 £0.733m). The HRA is a self-financing ring-fenced account and will need to ensure it remains within the resources available, taking into account levels of HRA reserves. The adverse movement from the month 6 forecast is due to the fact that there are a number of services that have identified further overspends in the main due to an increased number of voids.

5.2 The forecast overspend reported in Table 5 can be contained within HRA reserves provisionally forecast at £27.6m as at 31st March 2021.

**Table 5 – Housing Revenue Account (HRA) at Month 7**

SERVICES	Projected Variance For Month 7	Variance For Previous Month 6	Change From Previous Month	Explanation of Variations
	£'000	£'000	£'000	
Responsive Repairs and Safety	492	666	(173)	Increase in average costs due to state of repair when vacated & the delayed prior years repairs Vacancies within the service
Asset Planning and Capital Delivery	(697)	(876)	180	Vacancies within the service
Allocations Lettings and Income Collection	289	308	(19)	Lower demand in home safety equipment Legal commitments increase is offset by other departmental underspend Charges that are incurred when tenants make payment using debit/credit cards & at local points. £50k - Income budget no longer achievable

				Increase in Leaseholder's premium for 2021-22
Tenancy and Resident Engagement	124	309	(184)	Overspend on costs combined with a high level of voids based on 20/21 outturn Commitments have been reviewed & released
Homelessness and Assessments	250	0	250	High level of Voids
Directorate & Centralised costs	327	327	1	Unbudgeted Executive Director/Corporate Director posts plus support costs
	<b>786</b>	<b>733</b>	<b>53</b>	

## 6 Capital Programme as Month 7

- 6.1 The General Fund and HRA capital programmes have currently spent a gross £23.508m to the end of the month 7 against approved budgets of £371.897m. Forecast spend is £319.241m resulting in a forecast variance of £52.656m. Actuals to date are still impacted by accruals brought forward from 2020/2021 which have yet to be invoiced and do not take into account accruals for works so far completed due to delays in when suppliers send in their payment requests.
- 6.2 The table below summarises the capital spend to date by directorate with further details of individual schemes provided in Appendix 2.

**Table 6 – Capital Programme**

Department	Revised Budget 2021/22 (including approved slippage from 2020/21)	Actuals 2021/22 as at Month 7	Forecasts 2021/22 as at Month 7	Variance
	£'000	£'000	£'000	£'000
HOUSING	5,711	371	3,393	(2,318)
ADULT SOCIAL CARE & HEALTH	788	4	288	(500)
ASSISTANT CHIEF EXECUTIVE	20,625	1,139	12,984	(7,641)
CHILDREN YOUNG PEOPLE & EDUCATION	26,078	9,492	18,176	(7,902)
SUSTAINABLE COMMUNITIES, REGEN & ECONOMIC RECOVERY	76,439	2,405	54,835	(21,604)

RESOURCES	9,047	182	3,540	(5,507)
CORPORATE	50,000	0	50,000	(0)
<b>General Fund Total</b>	<b>188,688</b>	<b>13,593</b>	<b>143,216</b>	<b>(45,472)</b>
Housing Revenue Account	183,209	9,915	176,025	(7,184)
<b>LBC CAPITAL PROGRAMME TOTAL</b>	<b>371,897</b>	<b>23,508</b>	<b>319,241</b>	<b>(52,656)</b>

- 6.3 The Variance column is projected to be slipped into the new financial year, subject to Cabinet approval. Further work will be done over the coming months to review the budget provision for 2021/2022 and the review will focus on ensuring the capital budgets are properly profiled to reflect the actual delivery of various projects.

## 7 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 7.1 Finance comments have been provided throughout this report.

Approved: Richard Ennis – Corporate Director of Resources

## 8 LEGAL CONSIDERATIONS

- 8.1 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 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.
- 8.3 The monitoring of financial information is also a significant contributor to meeting the Council's Best Value legal duty and therefore this report also complies with that legal duty.

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

## 9 HUMAN RESOURCES IMPACT

- 9.1 There are no immediate workforce implications as a result of the recommendations in this report. Any mitigation on budget implications that may

have effect on direct staffing will be managed in accordance with relevant human resources policies and where necessary consultation with recognised trade unions.

Approved by: Gillian Bevan - Head of Human Resources (Res and ACE)

## **10 EQUALITIES IMPACT**

- 10.1 There are no specific equalities issues set out in this report.
- 10.2 In setting the Council's budget for 2021/2022, all savings proposals were required to 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.

Approved by: Denise McCausland, Equalities Manager, Policy Programmes and Performance

## **11 ENVIRONMENTAL IMPACT**

- 11.1 There are no specific environmental impacts set out in this report

## **12 CRIME AND DISORDER REDUCTION IMPACT**

- 12.1 There are no specific crime and disorder impacts set out in this report

## **13 DATA PROTECTION IMPLICATIONS**

### **13.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

NO

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

NO, as the report contains no sensitive/personal data

Approved by Nish Popat – Interim Head of Corporate Finance

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### **REPORT AUTHOR:**

Nish Popat, Interim Head of Finance (Corporate & Treasury Management)



**APPENDICES:**

Appendix 1 – Service Budgets and Forecasts Month 7  
Appendix 2 – Capital Programme

**BACKGROUND DOCUMENTS:**

None

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## SERVICE BUDGETS AND FORECASTS MONTH 7

	Approved Budget (£,000's)	Current Actuals (£,000's)	(%age) (%age)	Full-Yr Forecast (£,000's)	Projected Variance (£,000's)
C1410E : ADULT SOCIAL CARE OPERATIONS	114,074	61,613	1	113,064	(1,010)
C1405E : TOTAL ADULT SOCIAL CARE AND HEALTH DIRECTORATE SUMMARY	7,697	(880)	(0)	7,688	(9)
C1420E : ADULT SOCIAL CARE POLICY AND IMPROVEMENT	5,412	61	0	5,344	(68)
<b>TOTAL ADULT SOCIAL CARE &amp; HEALTH</b>	<b>127,183</b>	<b>60,794</b>	<b>0</b>	<b>126,095</b>	<b>(1,088)</b>
C1305E : RESIDENT ENGAGEMENT AND ALLOCATIONS	14,253	3,281	0	16,134	1,880
C1310E : ESTATES AND IMPROVEMENT	66	217	3	66	0
<b>TOTAL HOUSING</b>	<b>14,319</b>	<b>3,498</b>	<b>4</b>	<b>16,200</b>	<b>1,881</b>
C1140E : PLANNING AND SUSTAINABLE REGENERATION DIVISION	2,392	2,893	1	1,985	(407)
C1110E : SUSTAINABLE COMMUNITIES REGEN & ECONOMIC RECOVERY DIRECTORATE SUMMARY	(167)	652	3	(409)	(242)
C1130E : CULTURE AND COMMUNITY SAFETY DIVISION	12,584	2,103	0	11,698	(886)
C1120E : SUSTAINABLE COMMUNITIES	37,736	24,461	1	44,393	6,657
<b>TOTAL SUSTAINABLE COMMUNITIES REGENERATION &amp; ECONOMIC RECOVERY</b>	<b>52,545</b>	<b>30,109</b>	<b>4</b>	<b>57,667</b>	<b>5,122</b>
C1205E : CHILDREN, YOUNG PEOPLE AND EDUCATION	10,739	468	1	10,739	-
C1230E : QUALITY, POLICY AND PERFORMANCE IMPROVEMENT	4,660	2,048	1	4,501	(159)
C1210E : CHILDREN'S SOCIAL CARE	79,611	39,065	1	76,181	(3,430)
C1210E : UASC ONLY	0	0	0	1,615	1,615
C1220E : EDUCATION DIVISION - exc DSG	12,375	23,554	1	12,222	(153)
<b>TOTAL CHILDRENS, YOUNG PEOPLE AND EDUCATION</b>	<b>107,385</b>	<b>65,136</b>	<b>3</b>	<b>105,258</b>	<b>(2,127)</b>
C1640E : LEGAL SERVICES DIVISION	4,567	777	1	5,177	610
C1690E : COMMERCIAL INVESTMENT AND CAPITAL DIVISION	19,050	3,708	1	18,426	(624)
C1605E : RESOURCES DIRECTORATE SUMMARY	145	261	1	290	145
C1610E : DIRECTOR OF FINANCE	11,272	69,038	1	10,593	(679)
C1620E : PENSIONS DIVISION	1	267	1	(61)	(62)
C1650E : INTERNAL AUDIT SERVICE	8	(132)	1	(12)	(20)
C1630E : INSURANCE, ANTI-FRAUD AND RISK	32	2,291	1	26	(6)

<b>TOTAL RESOURCES</b>	<b>35,075</b>	<b>76,209</b>	<b>5</b>	<b>34,439</b>	<b>(636)</b>
C1520E : CHIEF PEOPLE OFFICER DIVISION	5	2,083	1	(150)	(155)
C1530E : POLICY, PROGRAMMES AND PERFORMANCE	6,894	4,633	1	6,459	(435)
C1505E : ASSISTANT CHIEF EXECUTIVE DIRECTORATE SUMMARY	(56)	442	1	211	267
C1510E : CROYDON DIGITAL AND RESIDENT ACCESS	13,809	12,536	1	14,123	314
C1540E : PUBLIC HEALTH	-	(5,754)	1	0	-
C1550E : SERVICE QUALITY, IMPROVEMENT AND INCLUSION	181	865	1	70	(112)
<b>TOTAL ASSISTANT CHIEF EXECUTIVE</b>	<b>20,833</b>	<b>14,804</b>	<b>4</b>	<b>20,713</b>	<b>(121)</b>

## Capital Programme Month 7

<b>CAPITAL BUDGETS, MONITORING AND FORECASTS - PERIOD 7</b>	<b>Approved Budget</b>	<b>Actual to Date</b>	<b>Forecast for Year</b>	<b>Variance for Year</b>
<b>Scheme Name</b>	<b>2021/22</b>	<b>2021/22</b>	<b>2021/22</b>	<b>2021/22</b>
	<b>(£,000's)</b>	<b>(£,000's)</b>	<b>(£,000's)</b>	<b>(£,000's)</b>
Adults ICT	284	-	284	-
Adult Social Care Provision	4	4	4	-
Provider Services - Extra Care	500	-	-	(500)
<b>ADULT SOCIAL CARE &amp; HEALTH</b>	<b>788</b>	<b>4</b>	<b>288</b>	<b>(500)</b>
Disabled Facilities Grant	4,373	650	2,993	(1,380)
Empty Homes Grants	400	(279)	400	-
Sheltered Housing	938	-	-	(938)
<b>HOUSING</b>	<b>5,711</b>	<b>371</b>	<b>3,393</b>	<b>(2,318)</b>
Bereavement Services	1,711	25	800	(911)
Community Ward Budgets	1,616	-	1,616	-
Finance and HR system	598	239	498	(100)
ICT Refresh & Transformation	9,185	211	6,430	(2,755)
People ICT	7,515	661	3,500	(4,015)
Uniform ICT Upgrade	-	3	140	140
<b>ASSISTANT CHIEF EXECUTIVE</b>	<b>20,625</b>	<b>1,139</b>	<b>12,984</b>	<b>(7,641)</b>
Education – Fire Safety Works	2,057	-	1,052	(1,005)
Education - Fixed Term Expansions	2,124	234	368	(1,756)
Education - Major Maintenance	7,523	2,427	2,945	(4,578)
Education - Miscellaneous	821	281	366	(455)
Education - Permanent Expansion	403	117	425	22
Education - Secondary Estate	134	36	88	(46)
Education - SEN	13,016	6,397	12,932	(84)
<b>CHILDREN YOUNG PEOPLE &amp; EDUCATION</b>	<b>26,078</b>	<b>9,492</b>	<b>18,176</b>	<b>(7,902)</b>
Allotments	309	-	100	(209)
Asset management ICT database	-	-	-	-
Brick by Brick programme	20,000	-	13,700	(6,300)
Brick by Brick - Fairfield	-	-	4,000	4,000
CALAT Transformation	396	1	-	(396)
Devolution initiatives	-	-	-	-
Electric Vehicle Charging Points	1,700	-	-	(1,700)
Feasibility Fund	505	13	50	(455)
Fieldway Cluster (Timebridge Community Centre)	3,023	119	300	(2,723)
Growth Zone	8,210	270	2,500	(5,710)
Grounds Maintenance Insourced Equipment	1,200	-	1,000	(200)
Highways - maintenance programme	17,531	2,063	13,474	(4,057)
Highways - maintenance programme (staff recharges)	567	-	567	-

Highways – flood water management	286	85	1,076	790
Highways – bridges and highways structures	141	234	1,139	998
Highways - Tree works	-	7	89	89
Measures to mitigate travellers in parks and open spaces	73		73	-
Leisure centres equipment upgrade	628	7	420	(208)
Libraries Investment - General	1,914	63	300	(1,614)
Libraries investment – South Norwood library	512		100	(412)
Museum Archives	100		-	(100)
Neighbourhood Support Safety Measures	50		50	-
New Addington wellbeing centre	979		-	(979)
Parking	3,401		1,735	(1,666)
Park Life	381		-	(381)
Play Equipment	1,522		705	(817)
Safety - digital upgrade of CCTV	1,559			(1,559)
Section 106 Schemes	4,674	30	4,674	-
SEN Transport	1,289	-	-	(1,289)
Signage	137		137	-
South Norwood	5	36	812	807
Kenley Good Growth	-		545	545
Sustainability Programme	625		-	(625)
TFL - LIP	392	(523)	4,331	3,939
Unsuitable Housing Fund	14		-	(14)
Walking and cycling strategy	-		-	-
Waste and Recycling Investment	3,116		1,558	(1,558)
Waste and Recycling – Don't Mess with Croydon	1,358		1,558	200
Schemes with completion date prior to 2020/21	(158)		(158)	-
<b>SUSTAINABLE COMMUNITIES, REGENERATION &amp; ECONOMIC RECOVERY</b>	<b>76,439</b>	<b>2,405</b>	<b>54,835</b>	<b>(21,604)</b>
Asset Strategy - Stubbs Mead	3,298		250	(3,048)
Asset Strategy Programme	770		23	(747)
Asset Acquisition Fund	415		25	(390)
Clocktower Chillers	462		50	(412)
Corporate Property Programme	4,248	90	2,794	(1,454)
Crossfield (relocation of CES)	(146)	8	146	292
Emergency Generator (Data Centre)	-		-	-
MHCLG Code Sharing Project	-	-	168	168
Croydon Healthy Homes (Project code 800156)	-	-	-	-
Unclassified Category		84	84	84
<b>RESOURCES</b>	<b>9,047</b>	<b>182</b>	<b>3,540</b>	<b>(5,507)</b>
<b>Corporate</b>	<b>50,000</b>	<b>0</b>	<b>50,000</b>	<b>0</b>

<b>NET GENERAL FUND TOTAL</b>	<b>188,688</b>	<b>13,593</b>	<b>143,216</b>	<b>(45,472)</b>
Asset management ICT database	155	67	155	-
Fire safety programme	5,555	444	5,555	-
Larger Homes	1,339		1,339	-
Major Repairs and Improvements Programme	35,306	9,332	28,122	(7,184)
Affordable Housing Programme	31,932	15	31,932	-
BBB Properties part funded by GLA and HRA RTB	108,120		108,120	-
Special Transfer Payments	802	57	802	-
Contribution from Major Repairs Reserve				
Contribution From Revenue				
Contribution From Reserves				
<b>HOUSING REVENUE ACCOUNT CAPITAL</b>	<b>183,209</b>	<b>9,915</b>	<b>176,025</b>	<b>(7,184)</b>
<b>GROSS CAPITAL PROGRAMME</b>	<b>371,897</b>	<b>23,508</b>	<b>319,241</b>	<b>(52,656)</b>

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# Agenda Item 6

<b>REPORT TO:</b>	<b>Scrutiny and Overview Committee</b> <b>7<sup>th</sup> December 2021</b>
<b>SUBJECT:</b>	<b>2022-23 Budget and Three Year Medium Term Financial Strategy</b>
<b>LEAD OFFICER:</b>	<b>Richard Ennis, Interim Director of Finance, Investment and Risk (S151 Officer)</b>
<b>PUBLIC/EXEMPT:</b>	Public

<b>ORIGIN OF ITEM:</b>	<p>The appended Cabinet report is the first in a series of budget reports due to be considered in the lead up to the budget being set by Council in February 2022.</p> <p>The report has been included on the agenda for the Scrutiny and Overview Committee to inform the budget scrutiny process</p>
<b>BRIEF FOR THE COMMITTEE:</b>	<p>The Scrutiny and Overview Committee is asked to:-</p> <ol style="list-style-type: none"> <li>1. Note the contents of the Cabinet report on 2022-23 Budget and Three Year Medium Term Financial Strategy.</li> <li>2. Review the information provided with a view to, as part of the wider budget scrutiny process, forming conclusions on the deliverability and sustainability of the 2022-23 budget, as well as ensuring there is an understanding of the key risks.</li> <li>3. Considered whether there are any specific budget proposals that should be tested in further detail by either the Committee or one of its Sub-Committees in January 2022.</li> </ol>

## **1. 2022-23 BUDGET AND THREE YEAR MEDIUM TERM FINANCIAL STRATEGY**

- 1.1. The Scrutiny and Overview Committee is presented with a copy of a report on 2022-23 Budget and Three Year Medium Term Financial Strategy due to be considered by Cabinet on 6 December. This has been provided to inform the budget scrutiny process, from which the Committee will be looking to reach a view on the deliverability and sustainability of the 2022-23 Budget. The Committee will also be looking to ensure that there is an understanding of the key risks and ownership of the proposals by the Council's political leadership.
- 1.2. To prepare for the budget scrutiny process, members of the Committee have received two training sessions delivered by the Centre for Governance and Scrutiny on best practice for budget scrutiny. On 23 November 2021, the Committee has also received a briefing from the Council's Section 151 Officer on the key budget principles and the approach to setting the budget.

- 1.3. The three scrutiny sub-committees (Children & Young People, Health & Social Care and Streets, Environment & Homes) will each have a briefing on the budget proposals for their areas of responsibility in the week of 29 December. Feedback from these sessions will be reported verbally by the sub-committee Chairs to inform the Committee's consideration of this report.
- 1.4. There will be further opportunity in January and early February 2022 for both the Committee and Sub-Committee to undertake work related to budget scrutiny. As such the Committee is asked to consider whether there are any specific budget proposals that need to be tested in greater detail at either a Committee or Sub-Committee meeting in the New Year.
- 1.5. As noted above, this report is only one part of the budget scrutiny process and primarily focuses on the General Fund budget. The Committee expects either itself or one of its sub-committees to be given the opportunity to scrutinise the capital budget, the Housing Revenue Account and Education Budget. The exact timetable for these items to be scrutinised is being finalised at the time of writing this report and a verbal update can be provided at the meeting by the Senior Democratic Services & Governance Officer on the work programme, if requested.

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**REPORT AUTHOR:** Simon Trevaskis – Senior Democratic Services & Governance Officer

**APPENDICES:**

Appendix 1 – Cabinet Report – 22-23 Budget and Three Year Medium Term Financial Strategy

Appendix 1A - Detailed Budget Change Proposals

**BACKGROUND DOCUMENTS:** None

<b>REPORT TO:</b>	<b>Cabinet 6<sup>th</sup> December 2021</b>
<b>SUBJECT:</b>	<b>2022/23 Budget and Three-Year Medium Term Financial Strategy</b>
<b>LEAD OFFICER:</b>	<b>Richard Ennis, Corporate Director of Resources (S151 Officer)</b>
<b>CABINET MEMBER:</b>	<b>Councillor Hamida Ali, Leader of the Council Councillor Stuart King, Cabinet Member for Croydon Renewal Councillor Callton Young, Cabinet Member for Resources &amp; Financial Governance</b>

### **SUMMARY OF REPORT:**

This report sets out the Council's three year Medium Term Financial Strategy [MTFS] and is the first of a series of reports prior to the budget setting Council on 21st February. This report focusses on the General Fund on which there will be further reports at the January and February Cabinets. The Housing Revenue Account [HRA] will be reported to February Cabinet and the capital budgets will be reported in detail as part of the January and/or February Cabinet agendas as well.

The proposals set out in this report aim to support the Council's ambition for our borough and priorities as outlined below:

- We will live within our means, balance the books and provide value for money for our residents.
- We will focus on tackling ingrained inequality and poverty in the borough. We will follow the evidence to tackle the underlying causes of inequality and hardship, like structural racism, environmental injustice and economic injustice.
- We will focus on providing the best quality core service we can afford. First and foremost, providing social care services that keep our most vulnerable residents safe and healthy. And to keep our streets clean and safe. To ensure we get full benefit from every pound we spend, other services in these areas will only be provided where they can be shown to have a direct benefit in keeping people safe and reducing demand.

This report sets out the current MTFS gap for 2022/23 and 2023/24 as was approved by Full Council in March 2021 and the progress in identifying savings proposals to bridge that gap. From an original gap of £38m for 2022/23, savings proposals and growth requests (including a contingency for delivery risk) has so far identified options that would reduce that gap to £13m. This is net of the Council also dealing with further growth pressures but does include some areas that are still under negotiation that will be confirmed in the January and February reports. This further work is needed to provide greater delivery certainty against a number of identified savings options, and in particular the announcement of the Local Government Finance Settlement not being expected until late December.

With General Reserves being rebuilt earlier than originally envisaged the need to build

adequate levels of earmarked reserves becomes a priority. In-year and future Base Budget contributions to General Reserves are instead more expected to be used to provide resilience through contributions to earmarked reserves. A risk assessment will be undertaken to assess and quantify the level of general un-earmarked and earmarked reserves and the period over which the latter may need building as appropriate. A recommendation will be given in a future Cabinet report in this respect.

Any adverse change to the budget gap – either by new pressures emerging or savings proposals from this report or the previous March 2021 Council approved budget and MTFS not being continued with, would need to be offset by the identification of other compensating savings to ensure a robust sustainable budget for the coming and future years.

## **FINANCIAL IMPACT**

The setting of a budget and the Council Tax requirement is a legal obligation on the Council. This report sets out the progress made in addressing the £38m net budget gap as approved for 2022/23 in March 2021. This report identifies savings and growth pressures that to date reduce that gap to £13m. Savings that are ongoing help to reduce the budget savings target for future years. Officers continue to work on options to recommend to Cabinet and subsequently Council to close this gap.

The Council is currently undertaking a transformation process to re-base its budgets and service delivery model to one that allows itself to manage within its available income streams and relies on tapering capitalisation direction approvals over this and the future two years as it progresses toward that position. The setting of a robust and balanced budget as it works toward that target is essential to demonstrate progress is being made and enable future capitalisation directions to be approved.

## **1. RECOMMENDATIONS**

The Leader has delegated to authority to Cabinet to make the following decisions:

- 1.1 Note the significant progress towards delivering a balanced budget for 2022/23 and future years and the current budget gaps still to close;
- 1.2 Consider the contents of paragraph 3.24 in respect of the identified risks to the budget process and make any recommendations in respect of the risks to the budget process;
- 1.3 Request that Cabinet request the Corporate Director of Housing to bring a report to the February 7<sup>th</sup> Cabinet setting out how a reduction to the in-year and future year pressures against the existing Temporary Accommodation budget will be managed and achieved;
- 1.4 Request officers to continue to work on reducing growth pressures and report back any changes to the February 7<sup>th</sup> Cabinet;

- 1.5 Support the growth and savings schedules included at appendix 1, and
- 1.6 In principle, to recommend these to Full Council as part of the budget approval process. To note that officers will commence planning for the implementation from April 2022 where appropriate where appropriate, but that any such proposals are subject to approval at February Council;
- 1.7 Ask the Corporate Management Team to continue work to identify further invest-to-save opportunities that improve the efficiency and effectiveness of the Authority, and minimise any service reductions;
- 1.8 Request the Corporate Management Team to ensure that there are sufficient resources to deliver the MTFS and report back in this respect in the January and February Cabinet reports;
- 1.9 Make any recommendations and comments that will further the ability for the Improvement Panel to make a positive recommendation to the Secretary of State for the Department of Levelling Up, Housing and Communities [DLUHC] in respect of the Council's progress and specifically confirming this year's £50m capitalisation direction and also next year's £25m (2022/23) capitalisation respectively in order to give financial certainty to the Council (a further £5m capitalisation is budgeted for in 2023/24);
- 1.10 Note the Council is undertaking further work in respect of the potential to maximise its capital receipts and the potential use of these to reduce its borrowing requirements subject to Cabinet and Council agreement;
- 1.11 Note that the scrutiny sub committees will have had initial discussions prior to this December Cabinet meeting and they and the Scrutiny and Overview Committee will undertake their scrutiny and overview work on the budget proposals and feed recommendations and comments for consideration into the January and February Cabinets;
- 1.12 Note the intention to take a report to the General Purposes and Audit Committee [GPAC] about the reserves strategy and its relationship to the MTFS prior to Cabinet taking a decision to recommend a budget to Full Council
- 1.13 Note the significant financial implications, approved in the March 2021 Budget at Full Council, from any policy changes and operational enforcement and income modelling changes, in respect of Healthy Neighbourhoods (formally referred to as Low Traffic Neighbourhoods), that will require the Council to find alternative savings in this respect;
- 1.14 Note that at this report's dispatch prior to the consideration of the Pensions Committee on 3<sup>rd</sup> December of a report recommending an actuary supported reduction in employer contributions that are part of the savings in 2022/23 preceding a further triennial pension review that will consider employer contributions for 2023/24 onwards. The savings in this respect are £3.400m in 2021/22 and £2.760m in 2022/23 (reducing as a part saving was already included in existing proposals for 2022/23) should the Pensions Committee scheduled on

3<sup>rd</sup> December agree to recommend these to Cabinet. An update will be provided at the actual Cabinet meeting;

- 1.15 Welcomes the additional 'one off' funding from the Home Office in 2021/22 and the temporary mandate of the national Transfer Scheme and request the Improvement Panel to support the cross party view of the Council in making further recommendations to the Secretary of State to fully fund the estimated circa. £4.5m of additional costs of Unaccompanied Asylum Seekers [UASC] that continue to fall disproportionately on the Croydon Council Tax payer; and
- 1.16 Note that officers continue to work on the closure of the draft accounts for 2019/20 and 2020/21 in response to dealing with the external auditors findings as reported to the General Purposes and Audit Committee [GPAC] and that this could have significant implications for the medium Term Financial Strategy and request officers to complete this work as soon as possible and at the latest ahead of the final February Cabinet.

## **2. EXECUTIVE SUMMARY**

- 2.1. This report is the first in a series of budget reports on route to producing a balanced budget for the Council for 2022/23 through to 2024/25.
- 2.2. This report focusses on the General Fund with further General Fund budget reports, the capital budget report and the Housing Revenue Account being brought to the January and February Cabinet meetings in the new-year.
- 2.3. The Council has made significant progress to deliver a balanced budget but there are still further significant savings to make of £13m; £16m; and £2m in the financial years 2022/23 to 2024/25 respectively.
- 2.4. In addition, the Council has built its general (un-earmarked) reserves to a more appropriate level and an assessment that takes account of the risks inherent in an organisation that is in recovery will be included in the February Cabinet report. Earmarked reserves need rebuilding having been drawn on as a result of the significant financial challenges the Council faced. A chart of reserves is shown against a number of other London boroughs in Table 8. As already mentioned further work in this respect is being undertaken and will form part of the Cabinet reports in the new-year.
- 2.5. The Council is making progress and needs to ensure that this is sustainable through continuing to ensure it has sufficient skills and capacity to deliver what will be a significant improvement and savings programme. Being able to both attract and retain existing and new excellent officers is of paramount importance as part of this recovery.
- 2.6. Discussions and negotiations continue with the NHS to ensure the Council receives increased allocation of resources supported by evidence from the Council on the substantial costs resulting from the increased needs of the population being met through the discharge to assess process and the need that

is causing pressure through sustained high hospital occupancy. The total hospital occupancy remains at static high levels, however, due to increased acuity of people, the numbers requiring support with discharge, predominantly through social care are substantially higher, as well as the size of packages people need.

- 2.7 The Social Care budget pressure for ongoing care package costs (post 6 weeks) is also arising from this increased activity. This is from during the pandemic and into winter, projected to continue due to the backlog in health care and increased frailty of people leaving hospital and higher need and sickness in the population. Funding is required to continue to both drive and support the NHS and our residents in delivering good flow through the system and quality services to those in need in a cost effective and outcomes driven way. System partner led programmes can be progressed to minimise ongoing costs to all parties and maintain quality.
- 2.8 The Council has identified significant contract and other spend-related savings of £5m (in addition to £14m of such savings already approved for 2022/23 in the March MTFs) through a member and officer group that continues to look for further savings in addition to delivering those identified already.
- 2.9 Work continues to identify ways to de-risk the Balance Sheet through, for example, taking a stronger approach to dealing with outstanding loans and debtors to the Council. This includes loans made to business that are now operating again post Covid.

### **3 GENERAL FUND REVENUE BUDGET**

- 3.1 The Approved 2021/22 Budget and Medium Term Financial Strategy
- 3.2 Cabinet and Full Council considered and approved the 2021/22 revenue and capital budgets for 2021/22 and a three-year Medium Term Financial Strategy [MTFS] on 8<sup>th</sup> March 2021 (*Agenda Item 18/21 of Full Council Meeting*). The General Fund revenue budget for 2021/22, being predicated on the final approval by the Department of Levelling Up, Communities and Housing [DLUCH - previously MHCLG] of a £50m capitalisation direction, was a balanced budget allowing for a further £10m contribution to General (*un-earmarked*) reserves to enable the Council to deal with the uncertainty of the current economy, the continuing challenges of the Covid pandemic, and to strengthen the Council's overall financial resilience. Whilst a number of budget change approvals for the years 2022/23 and 2023/24 were also approved at that meeting, a gap between revenue spend and income sources of £38m and a further £22m respectively identified in the latter two years (2022/23 and 2023/24) of the MTFs as the reliance on capitalisation direction requests reduced to £25m and £5m respectively.
- 3.3 If the Secretary of State decides to give a direction, he expected to confirm the final amount of capitalisation support and any conditions that would be

applied in summer 2021. His consideration would include taking account of the following:

- a) Evidence that the conditions set out in any capitalisation direction in respect of 2020/21 have been complied with;
- b) Evidence from the Improvement Panel of the Authority's progress against its Improvement Plan, as reflected in forthcoming progress reports from the Panel;
- c) Evidence from the Improvement Panel of the Authority's financial position and its ability to meet any or all of the identified budget gap without additional borrowing;
- d) Evidence from the Improvement Panel of the Authority's progress in developing and delivering against an asset disposal plan;
- e) Evidence of progress against the other areas of improvement that were identified in the Panel's February update to the Department: progress in resolving challenges in property ventures; a credible 2021/22 budget including a deliverable savings plan; progress in developing a plan to transform front line services; progress made to change the culture of the organisation;
- f) Evidence and recommendations from the Improvement Panel on the steps that the Authority may need to take to, for example, improve its governance arrangements, financial management, operational delivery and to reduce risk.

3.4 With this in mind, the Secretary of State also reserved the right to attach additional bespoke conditions to a direction in respect of 2021/22 depending on the Council's individual circumstances.

3.5 In the event of a failure by the Council to demonstrate progress in its recovery, the Secretary of State will consider whether it is appropriate to use the Best Value powers available, including the appointment of Commissioners.

3.6 At the time of writing this report the Secretary of State has not confirmed the 2021/22 capitalisation, having only referred to being "minded to approve" in their March 2021 letter to the Council, although discussions with officials at DLUHC have included statements that there is no indication of non-approval subject to the requirements above. The Improvement Panel have stated that their next letter to the Secretary of State will be after this 6<sup>th</sup> December Cabinet so the importance of this report is paramount.

3.7 A summary of the three-year growth and savings approved at the March 2021 Cabinet and Full Council meeting is set out in the table below:



**Table 1 – Approved 2021/22 Budget and Medium Term Financial Strategy**

	<----- Incremental Changes ----->				<----- Cumulative Changes ----->			
	2021/22 (£,000's)	2022/23 (£,000's)	2023/24 (£,000's)	2024/25 (£,000's)	2021/22 (£,000's)	2022/23 (£,000's)	2023/24 (£,000's)	2024/25 (£,000's)
Children's, Families & Education	11,000	(4,609)	(2,219)	-	11,000	6,391	4,172	4,172
Health, Wellbeing & Adults	11,757	(3,825)	(2,625)	-	11,757	7,932	5,307	5,307
Place	(2,657)	(6,578)	(2,513)	-	(2,657)	(9,235)	(11,748)	(11,748)
Resources	8,603	(2,413)	(2,140)	-	8,603	6,190	4,050	4,050
Corporate & Cross-Cutting	21,297	30,803	11,630	-	21,297	52,100	63,730	63,730
<b>Net Changes (Excl Capitalisation)</b>	<b>50,000</b>	<b>13,378</b>	<b>2,133</b>	<b>-</b>	<b>50,000</b>	<b>63,378</b>	<b>65,511</b>	<b>65,511</b>
Less Capitalisation Direction	(50,000)	25,000	20,000	-	(50,000)	(25,000)	(5,000)	(5,000)
	-	<b>38,378</b>	<b>22,133</b>	-	-	<b>38,378</b>	<b>60,511</b>	<b>60,511</b>
Total Growth Changes	132,563	15,514	30,363	-	132,563	148,077	178,440	178,440
Total Savings Changes	(82,563)	(2,136)	(28,230)	-	(82,563)	(84,699)	(112,929)	(112,929)
Capitalisation Direction	(50,000)	25,000	20,000	-	(50,000)	(25,000)	(5,000)	(5,000)
<b>Net Changes (Excl Capitalisation)</b>	<b>-</b>	<b>38,378</b>	<b>22,133</b>	<b>-</b>	<b>-</b>	<b>38,378</b>	<b>60,511</b>	<b>60,511</b>

- 3.8 Applying the above approved budget changes for 2021/22 to the Base Budget brought forward from 2020/21, and reflecting approved budget virements (*transfers*) to reflect the change in departmental responsibilities following the corporate restructure, the approved 2021/22 departmental budgets are summarised in the table below:

**Table 2 – 2021/22 General Fund Revenue Budget**

	Income (£,000's)	Expenditure (£,000's)	Net Budget (£,000's)
Sustainable Communities, Regeneration & Economic Dvlpt	(74,033)	126,578	52,545
Children, Young People & Education	(224,967)	332,355	107,388
Housing	(40,634)	54,953	14,319
Adult Social Care & Health	(40,035)	167,218	127,183
Assistant Chief Executive	(57,129)	77,962	20,833
Resources	(225,458)	260,533	35,075
Corporate & Cross-Cutting	(90,659)	67,378	(23,281)
<b>Net Budget Requirement</b>	<b>(752,915)</b>	<b>1,086,978</b>	<b>334,063</b>
<b>Funded From:</b>			
Revenue Support Grant	(14,205)		(14,205)
Locally Retained Business Rates (Incl Top-Up Grant)	(71,764)		(71,764)
Council Tax	(198,094)		(198,094)
	<b>(1,036,978)</b>	<b>1,086,978</b>	<b>50,000</b>
Less Capitalisation Direction	-	(50,000)	(50,000)
<b>Total Budget</b>	<b>(1,036,978)</b>	<b>1,036,978</b>	<b>-</b>

### 3.9 Current Year Financial Performance Monitoring

- 3.10 Budget monitoring has been strengthened and is now reported to Corporate Management Team [CMT] and Cabinet on a monthly basis in line with the recommendations set out in the Finance Improvement Plan. The most recent report being to the end of October. As well as a forecast to year-end, identified further potential risks or opportunities which may impact on that forecast are also reported to provide an indication of how that forecast could change.

- 3.11 Departmental forecasts predict a net overspend across three portfolios (after mitigations enacted within those portfolios) as summarised below:
- a) The Sustainable Communities, Regeneration and Economic Recovery [SCRER] portfolio is reporting a £5.122m adverse variance relating principally to the Secretary of State not approving the requested Selective Licensing Scheme and secondly levels of parking income caused by continuing Covid-related downturn in traffic numbers and delays in member decisions to roll-out Healthy Neighbourhoods (formerly Local Traffic Neighbourhood [LTM]) schemes in respect of the policy which has significant financial implications for the budget that was approved in March 2021;
  - b) Healthy Neighbourhoods has an existing approved net income budget of £5.025m in 2021/22, £8.205m and £11.606m in 2022/23 and 2023/24. In total on a cumulative cash basis the Heathier Neighbourhoods budgets total nearly £25m of income over the three years of the MTFs as approved in the March 2021 budget. For 2021 there is already a £3m income shortfall forecast as a result of delays in decision making and ongoing impact of Covid;
  - c) The Housing service portfolio is forecasting a £1.881m overspend predominantly the result of increased pressures within the emergency and temporary accommodation services; and
  - d) Whilst having received additional exceptional and one-off funding from the Home Office to manage cost pressures in relation to Unaccompanied Asylum Seeker Children [UASC], this continues to be below the level to meet the particular numbers for which Croydon has become responsible, and net of the grant still represents a £1.615m adverse variance. This Government along with previous Governments have failed to deliver a fully funded UASC in particular to authorities such as Croydon, Hillingdon and Westminster where UASC cost impact is disproportionate.
- 3.12 Offsetting these projected portfolio overspends are other net underspends across other service areas that further mitigate the overall forecast to a net £3.030m adverse variance.
- 3.13 Some of the pressures contained in the current service forecast relate to expenditure or shortfalls in income resulting from the ongoing Covid pandemic. Accordingly from the start of the year, £3.451m of an overall £11.250m one-off DLUHC Covid pressures grant, held as a specific reserve, has been released to mitigate the overall net position. Taken collectively, the latest net General Fund revenue forecast predicts a £0.421m underspend position. The table below summarises the above:

**Table 3 – Latest General Fund Revenue Forecast**

	Period 6 Forecast (£,000's)	Period 7 Forecast (£,000's)	Change in Month (£,000's)
Children, Young People & Education	(3,148)	(3,742)	(594)
UASC Expenditure	1,615	1,615	-
Adult Social Care & Health	(869)	(1,088)	(219)
Housing	1,838	1,881	43
Sustainable Communities, Regen & Economic Recovery	5,672	5,122	(550)
Assistant Chief Executive	(848)	(636)	212
Resources	(210)	(121)	89
<b>Service Forecasts</b>	<b>4,050</b>	<b>3,030</b>	<b>(1,020)</b>
Release of Covid Funding	(3,451)	(3,451)	-
<b>Net General Fund Forecast</b>	<b>599</b>	<b>(421)</b>	<b>(1,020)</b>

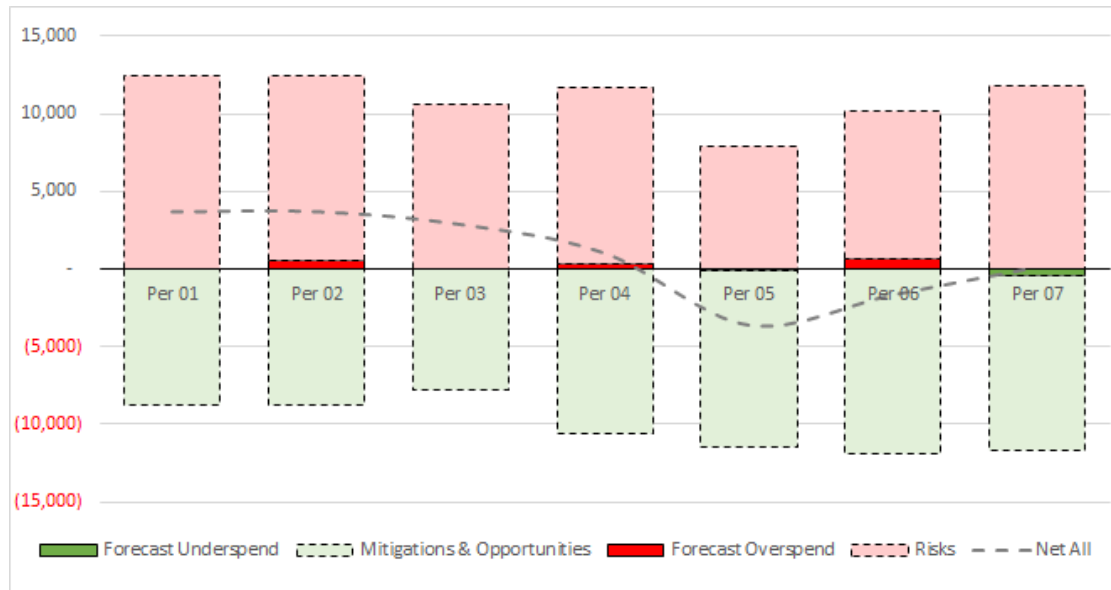
- 3.14 As referred to above, in addition to the forecast outturn previously set out, risks and opportunities that may materialise and impact on that forecast are also monitored and reported. Risks have been identified across service areas relating to both delivery of agreed savings proposals as well as other emerging pressures and in total represent £11.777m of risks and £11.259m of potential opportunities – net £0.518m risk. Whilst full details of these are set out in the Financial Performance Report separately reported to Cabinet, a summary of these risks and opportunities and their potential impact on the forecast outturn position is given in the table below:

**Table 4 – Risks and Opportunities – Potential Impact on Forecast**

	Savings Risks (£,000's)	Other Risks (£,000's)	Oppor- tunities (£,000's)	Net Risk Opps (£,000's)	Period 7 Forecast (£,000's)	Total (£,000's)
Children, Young People & Education	247	160	(1,307)	(900)	(3,742)	(4,642)
UASC Expenditure	-	-	-	-	1,615	1,615
Adult Social Care & Health	-	3,050	(1,307)	1,743	(1,088)	655
Housing	-	396	(396)	-	1,881	1,881
Sustainable Communities, Regen & Economic Recovery	4,025	2,899	-	6,924	5,122	12,046
Assistant Chief Executive	-	-	(250)	(250)	(636)	(886)
Resources	-	-	(200)	(200)	(121)	(321)
<b>Service Forecasts</b>	<b>4,272</b>	<b>6,505</b>	<b>(3,460)</b>	<b>7,317</b>	<b>3,030</b>	<b>10,348</b>
Corporate & Cross-Cutting	1,000	-	(7,799)	(6,799)	(3,451)	(10,250)
<b>Net General Fund Forecast</b>	<b>5,272</b>	<b>6,505</b>	<b>(11,259)</b>	<b>518</b>	<b>(421)</b>	<b>98</b>

- 3.15 As for all councils, the forecast outturn position has the potential to move further in either direction as the year progresses, however activity continues to mitigate the impact of forecast overspends and potential pressures whilst delivering the benefit of potential opportunities to maintain the revenue position in line with approved budgets. Tracking of monthly reported forecasts has shown a relatively stable position during the course of the year to date

**Table 5 – Revenue Forecasting Trend**



**3.16 The 2022/23 Budget and Medium Term Financial Strategy**

3.17 Following the recommendation set out in the Finance Improvement Plan, the Council returned to setting out and approving a Medium Term Financial Strategy over a three-year planning horizon rather than just a one year budget and was approved by Full Council in March 2021. With an identified budgetary gap over the years 2022/23 and 2023/24 remaining at that time, work immediately began on a process to identify further options (or additionally arising pressures) that would be needed to set a balanced budget for 2022/23 and reduce any future year gap.

3.18 Development of the budget building process has been running throughout the late spring, summer and into the autumn to identify budget options to members that enable the Council to set a balanced budget for 2022/23 and extend the MTFS planning horizon over a further year.

3.19 The process has involved service departments reviewing their budgets and delivery models to identify potential savings opportunities for 2022/23 or beyond and reviewing their already agreed further savings and growth already approved in March 2021. All proposals have been reviewed through a series of Budget Development, Challenge and Star Chamber sessions involving departmental managers, Corporate Management Team and Cabinet portfolio holders, both individually and collectively. Delivery risk has been considered against individual proposals and has been used to inform the quantum potentially required for a necessary risk and contingency provision.

3.20 Based on those submissions, as modified through the Challenge and Star Chamber sessions, the current proposals (as set out in detail in Appendix 1) would see the original £38m gap for 2022/23 reduce to a net £13m.

- 3.21 In total, further savings opportunities of £58m are being put forward for consideration in this Cabinet report, but are offset by £10m being discounted in accordance with individual proposals assessed delivery risk weightings. Whilst this net position would notionally over-deliver against the original 2022/23 £38m gap by £10m, additional growth pressures have been identified amounting to £23m from that envisaged in setting the budget and MTFs in March 2021 which when taken into consideration leaves a remaining gap at this stage of £13m. The risk weightings continue to be reviewed.
- 3.22 The table below summarises this latest position (and which full detail is set out in Appendix 1):

**Table 6 – Latest MTFs Position**

	<----- Incremental Changes ----->				<----- Cumulative Changes ----->			
	2021/22 (£,000's)	2022/23 (£,000's)	2023/24 (£,000's)	2024/25 (£,000's)	2021/22 (£,000's)	2022/23 (£,000's)	2023/24 (£,000's)	2024/25 (£,000's)
Original Gap (March 2021)	-	38,378	22,133	-	-	38,378	60,511	60,511
<b>Savings Proposals:</b>								
Children, Young People & Education	(2,000)	(2,611)	(1,479)	(330)	(2,000)	(4,611)	(6,090)	(6,420)
Adults Social Care & Health	-	(3,788)	-	740	-	(3,788)	(3,788)	(3,048)
Housing	-	(2,502)	(1,789)	-	-	(2,502)	(4,291)	(4,291)
Sustainable Communities, Regen & Econ Recovery	(175)	(3,918)	(1,005)	5	(175)	(4,093)	(5,098)	(5,093)
Assistant Chief Executive	(518)	(2,644)	(1,223)	(2,250)	(518)	(3,162)	(4,385)	(6,635)
Resources	(3,400)	(1,225)	(1,378)	(885)	(3,400)	(4,625)	(6,003)	(6,888)
Corporate & Cross-Cutting	-	(34,551)	(3,966)	(15,206)	-	(34,551)	(38,517)	(53,723)
	<b>(6,093)</b>	<b>(51,239)</b>	<b>(10,840)</b>	<b>(17,926)</b>	<b>(6,093)</b>	<b>(57,332)</b>	<b>(68,172)</b>	<b>(86,098)</b>
Less Delivery Risk Weighting	1,219	7,602	2,168	3,585	1,219	8,821	10,989	14,574
	<b>(4,874)</b>	<b>(43,637)</b>	<b>(8,672)</b>	<b>(14,341)</b>	<b>(4,874)</b>	<b>(48,511)</b>	<b>(57,183)</b>	<b>(71,524)</b>
<b>Growth Requests:</b>								
Children, Young People & Education	-	200	(100)	(100)	-	200	100	-
Adults Social Care & Health	-	500	-	-	-	500	500	500
Housing	-	2,000	-	-	-	2,000	2,000	2,000
Sustainable Communities, Regen & Econ Recovery	-	6,974	(119)	-	-	6,974	6,855	6,855
Assistant Chief Executive	51	1,513	175	-	51	1,564	1,739	1,739
Resources	-	325	-	400	-	325	325	725
Corporate & Cross-Cutting	-	11,721	2,239	11,487	-	11,721	13,960	25,447
	<b>51</b>	<b>23,233</b>	<b>2,195</b>	<b>11,787</b>	<b>51</b>	<b>23,284</b>	<b>25,479</b>	<b>37,266</b>
Changes to Use of Capitalisation Direction	-	-	-	5,000	-	-	-	5,000
<b>Overall Net Remaining Gap</b>	<b>(4,823)</b>	<b>17,974</b>	<b>15,656</b>	<b>2,446</b>	<b>(4,823)</b>	<b>13,151</b>	<b>28,807</b>	<b>31,253</b>

- 3.23 Included in the above summary of savings options and growth requests (full details of which can be referred to in Appendix 1) are the following worthy of particular note in this report:

- Children, Young People and Education savings proposals include a cumulative £3.000m saving for 2022/23 as a reduction to the £20.518 growth approved in March 2021;
- Adult Social Care and Health savings proposals include a cumulative £1.387m saving as a reduction to the previously approved growth of £35.859m;
- Housing proposals include £2.000m growth pressures for ongoing costs of emergency and temporary accommodation where work is ongoing to reduce this pressure;
- Sustainable Communities, Regeneration and Economic Recovery

[SCRER] proposals include £0.950m (rising to £1.100m in future years) for the Neighbourhood Operations (NSO) activity;

- e) Within the SCRER savings proposals agreed in March 2021, was included the roll-out of Healthy Neighbourhoods and Automatic Number Plate Recognition [ANPR] camera enforcement. Healthy Neighbourhood's has an existing approved income budget of £5.025m in 2021/22, and £8.205m, £11.606m in 2022/23 and 2023/24. In total on a cumulative cash basis the Heathier Neighbourhoods budgets total nearly £25m over the three years of the MTFs as approved in the March 2021 budget. The November Traffic Management Advisory Committee voted 3-2 in favour of continuing the roll out of the policy objectives. Whilst the Council must not have income as the objective it must be aware of the significant financial implications of a full or partial change to the policy and specifically as regards enforcement. This is particularly important in demonstrably showing the Council can deliver both the primary policy objective and secondary financial plan given it is only nine months since March 2021 when approval was given at full Council. For 2021/22 there is already a £3m shortfall forecast as a result of delays in decision making. This budget proposal remains in full in the MTFs and has not been reduced in subsequent proposals – any change in this assumption would further impact on the remaining gap and require significant alternative savings to be approved by full Council in order to maintain a direction of travel towards a robust budget;
- e) Growth requests within the SCRER portfolio include £1.313m to reflect Special Education Needs [SEM] transport cost pressures as well as £3.062m for the reduced income previously expected from the Selective Landlord Licencing Scheme which were refused by the Secretary of State. Both of these pressures form part of the current forecast variance in current year monitoring;
- f) Within the Assistant Chief Executive portfolio are two growth requests as a result of the referendum for a locally elected mayor - £0.330m for the costs of a mayor and support, plus an additional £0.240m cost in 2022/23 for the additional costs of holding the mayoral election alongside the borough-wide election;
- g) Corporate and Cross-Cutting savings proposals include an assumed increase in the average Band D Council Tax charge of 2.99% - being 1.99% general increase plus 1.00% Social Care Premium in line with indications set out in the Chancellor's Autumn Budget Statement and assumed to be taken in its assessment of Core Spending Power available to local authorities – this is currently below forecast inflation levels;
- h) Additionally, £5.700m additional income is assumed, pending the result of current consultation, with regard to proposed changes to the Local Council Tax Support Scheme (noting that a one off hardship fund of

£818k is in place to help claimants in particularly difficult circumstances and will be subject of a further report to Cabinet before a final decision on this proposal is made;

- i) Within the Corporate and Cross-Cutting savings proposals is £11.000m assumed to be delivered from negotiation with the NHS to reflect a contribution by them to support non-statutory activity or response timeframes in working with them to deliver better and speedier health outcomes; and
- j) Based on individual assessment of delivery risk on a line-by-line basis for each proposal, a net risk and contingency deflator is applied to the total quantum of proposed new savings amounting to £8.821m – representing an average 17% allowance for risk and optimum bias and potential non-delivery or delay in proposed savings being delivered.

3.24 A number of risks or uncertainties remain to be clarified which may further impact on the headline £13m gap, as set out above and summarised in Table 6. These include:

- i. The announcement of the Provisional Local Government Finance Settlement – whilst the Autumn Budget gave clarity over the allowable increase to Council Tax levels, it left much else to be announced at a local level, the distribution of which may not see an equal pro-rata benefit for Croydon itself. This includes remaining clarification over the future of the New Homes Bonus scheme;
- ii. Provision for inflation was included in the budget approved for March of 2% increases for both contract and employee costs for 2022/23. Whilst growth proposals have increased the provision for contract inflation to 3%, current forecasts suggest higher rates over the MTF5 period and further provision would need to be made if costs cannot be maintained within existing provision. The January and February Cabinet budget reports will include further work on inflationary pressures and additional budget is likely to be needed in this respect ;
- iii. The ongoing impact of the COVID pandemic has the potential to cause further impacts to the Council's budget position and may result in further unbudgeted costs or decline in income – both within service areas and impact on Council Tax / Business Rates taxbase and collection levels;
- iv. Negotiations with the NHS continue to agree a more realistic cost sharing for the costs of discharging people with higher needs from hospital as quickly and safely as possible. The Council will be unable to continue to provide the current discharge to assess services at the level it currently does in the absence of adults funding up to the £10.265m demonstrated cost of this on an ongoing basis from 2022/23. The breakdown of funding to be agreed to maintain over the statutory minimum and maintain the flow of the hospital is as follows:

<b>Council Costs arising from Discharge to Assess (D2A) / Home First</b>	<b>2022/23 Annual Cost Estimates</b>	<b>Council Costs Chargeable to NHS National Discharge Fund (per 21/22 Rules)</b>	<b>Council Costs to be sought from local NHS resource re-prioritisation</b>
Extended Discharge and Assessment Team	£0.5m - £1.0m	£0.5m - £1.0m	TBC
Care and Equipment costs during Discharge to Assess process for Adults in Croydon (up to 5 weeks fully funded D2A care for all discharges)	£5.0m - £6.2m	£1.9m - £3.1m	TBC
Ongoing Package Costs for previous D2A discharges from 20/21 & 21/22	£1.5m - £3.1m	Not Covered by the National Discharge Fund	TBC
Funding for Children's Education, Health and Care Plans and Continuing Care	£867k	Not Covered by the National Discharge Fund	TBC
Adult Continuing Healthcare	individual funding tbc	Not Covered by the National Discharge Fund	TBC
<b>TOTAL</b>	<b>£7.0m - £11.2m</b>	<b>£2.4m - £4.1m</b>	<b>TBC</b>

Continued joint advocating for National NHS Discharge Funding will be required. The levels that may flow through to Places is likely to be below the costs incurred by the Council/local system and requires ongoing work as partners to assess and re-prioritise local NHS funding allocations.

The impact of reduced service levels by social care due to lack of shared funding for Department of Health and Social Care legislated processes from 1/4/22 is assessed to be significant, including the potential for Croydon University Hospital to enter into code black within 2.5 days which means there the hospital is at full capacity. The cost to the NHS of opening additional hospital wards to meet need (escalation capacity) is projected to be £2m per year and there would be a significant increase in patient length of stay in the hospital without this escalation capacity and other high costs associated with length of stay and impact on elective surgery performance for example. Staffing this escalation capacity is also a significant challenge to the system. The NHS would be required to commission a much higher proportion of therapy services and intermediate care beds, for people to move to while they are rehabilitated to the appropriate level for statutory care packages.

The council would continue to meet its statutory duty and keep people safe through its social care duty, however, this would not optimise the flow of hospital as well as the formal discharge to assess process required by the new legislation, given the current sustained hospital occupancy.



There continues to be a need for the Council and the NHS to work together to ensure the correct funding and agree appropriate tripartite funding agreements for children's education health and care plans and continuing health needs expected to be in the region of £870k per annum. Appropriate continuing healthcare funding for adults with ongoing primary health needs is needed which has reduced significantly from the NHS to individual Croydon residents over the last three years.

The NHS are unlikely to be able to give certainty to the Council in this respect until February Cabinet and subsequently full Council in February. The NHS decision making process is required at national and integrated care system level. As stated, there will be a need for local re-prioritisation of NHS resources to ensure the timely discharge of Croydon residents to meet the high acuity levels currently, and there is commitment to continue to collaborate to secure plans to optimise the health of Croydon residents/patients in 2022/23. Should the NHS not be able to agree sufficient funding, the Council will meet its statutory duty but will not be able to deliver the higher cost discharge to assess process and the size and cost of packages generated by operating this model. The assumed additional contribution in NHS funding is currently being discussed with the NHS and cannot in full be relied upon, and is subject to uncertainty as to the outcome of those negotiations as well as funding available to the local NHS itself;

- v. Net capital financing costs are predicated on future interest rate movements and on assumed levels of capital receipts (both asset disposals and loan repayments from the Council's Brick by Brick property company – quantum or timing delays in these assumptions has the potential to impact on overall forecast borrowing costs);
- vi. The delivery of savings and growth proposals approved in March 2021 are assumed to be delivered in full, and in particular assume the roll-out of Local Traffic Neighbourhood / ANPR proposals continue as approved;
- vii. Ongoing work continues to address queries raised by the Council's external auditors with regard to the 2017/18 accounting treatment of capital receipts and assets transferred to the Croydon Affordable Homes charity. Whilst a worst case outcome has the potential to significantly impact on historic reserves levels and thus have an effect on reserves levels carried forward it is unlikely to have significant impact on the current in-year position;
- viii. The 2021/22 Budget assumes a Capitalisation Direction approval of £50m with £25m and £5m for the following two years as the Council implements changes to its operating model to spend within its funding resources. The 2021/22 Capitalisation Direction remains only "approved in principle" whilst those for future years remained

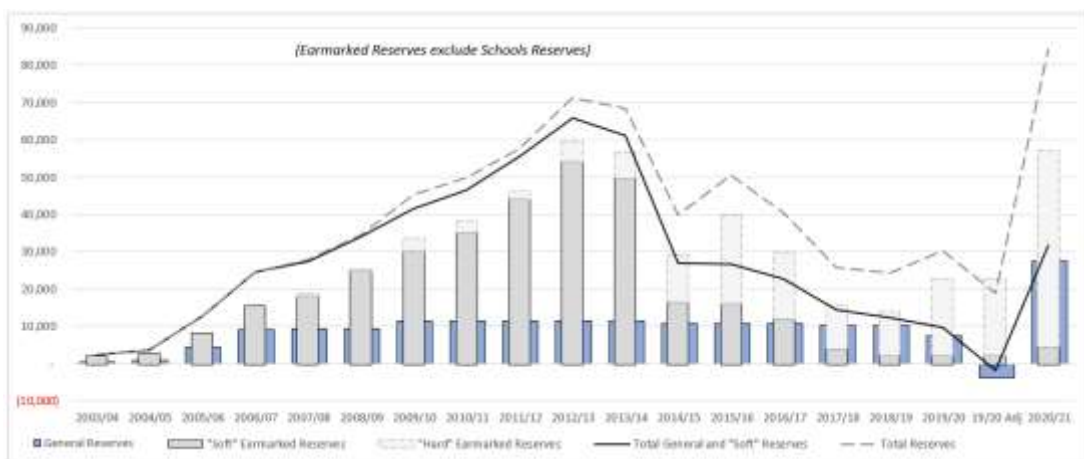
for DLUHC to consider after the Spending Review. Should these not be approved or approved at lower levels this would significantly impact on the remaining gap. They are needed to balance this budget.

- ix. The Governments levelling up agenda will inevitably mean the removal of resources away from London and put further pressure on London Local Authorities.
- x. The Greater London Authority are facing reductions in income from Transport for London and must look at ways to reduce costs and this could include reductions in support to London Boroughs.
- xi. The Council continues to want to deliver the Borough of Culture scheme and the costs associated with this. Currently the assumption in the budget is a net cost of nil after use of GLA grant funding and one-off repurposing of existing budgets, but which would not cover any overspend.

3.25 Subject to the above remaining uncertainties being appropriately dealt with , the current budget position taking into account all proposals so far identified, a gap of £13m remains for 2022/23 (with a further £16m in the following year).

3.26 The Council’s level of General Reserves had been below normative levels for a number of years and placed it at risk of having insufficient resilience. This culminated in changes made as part of the ongoing audit of 2019/20 accounts falling from £10.4m to a negative £3.9m. With the use of the 2020/21 Capitalisation Direction, balances have been restored to £27.5m in the draft 2020/21 accounts.

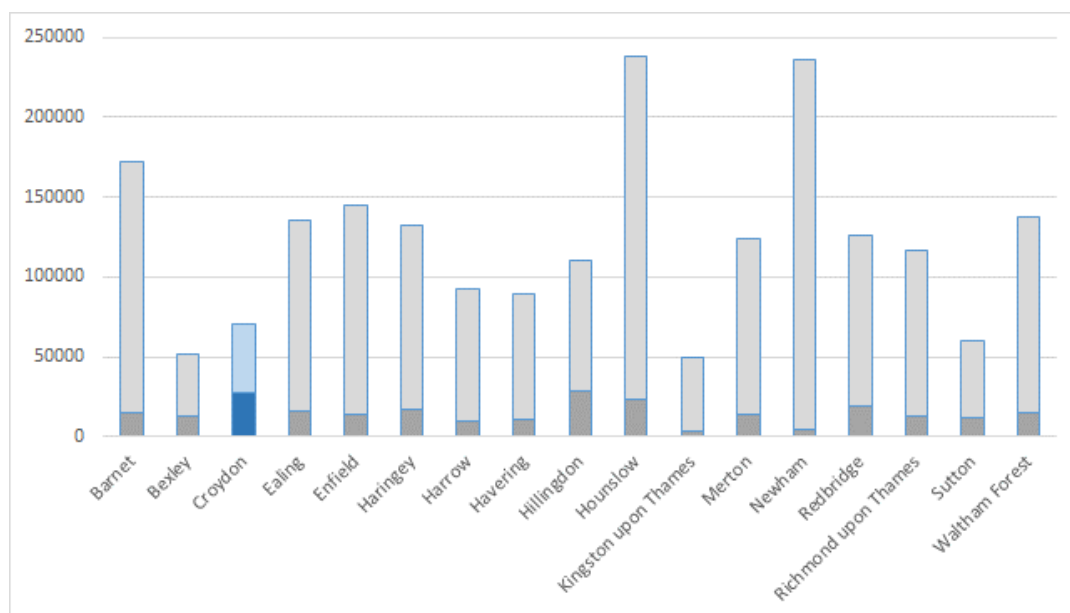
**Table 7 – Croydon’s Historic Reserves Levels**



3.27 Whilst General Reserves are now at levels that are considered to be adequate, the levels of earmarked reserves remain low when those balances that have specifically set aside to fund planned transfers out of the Collection Fund Adjustment Account are taken into consideration. The table below

illustrates levels of reserves at the end of 2020/21 when compared to other Outer London Boroughs:

**Table 8 – Outer London Borough Reserves Levels**



3.28 The approved 2021/22 Base Budget and MTFs allowed for General Reserves to be further bolstered by £10m in 2021/22 and then rising to £15m and £20m in 2022/23 and 2023/24 respectively. With General Reserves already replenished as part of the 2020/21 outturn, it is proposed that instead this budget provision would be used to create sufficient levels of earmarked reserves to mitigate against specific future requirements – earmarked reserves to be created will be recommended to Cabinet as part of the February Budget Setting, MTFs and Council Tax report for their consideration and is likely to include, amongst others, some or all of the following to be built over this existing and potentially subsequent years:

- a) Insurance Reserve;
- b) Inflation and Pay Pressures Reserve;
- c) Council Tax / Business Rates Economic Downturn Reserve;
- d) Savings Delivery Reserve;
- e) MRP Smoothing & Capital Receipt Delay Reserve;
- f) Demographic Changes Reserve;
- g) Redundancy Reserve;
- h) UASC & Refugee Cost Pressures Reserve;
- i) Homelessness Pressures Reserve;
- j) Council Tax Hardship Fund Reserve;
- k) Further Pandemic Impacts Reserve;
- l) Litigation & Tax Liability Reserve;
- m) Interest Rate Impact Reserve; and
- n) Adult Social Care – Minimum Income Guarantee and Norfolk Judgement Reserve

- 3.29 Of the £42m of earmarked reserves brought forward into 2021/22, a significant proportion relate to timing differences in grants required to fund Covid-related business rate and council tax reliefs; ring-fenced public health funding; PFI smoothing reserves; and Growth Zone balances. Excluding these elements required to meet future costs, other earmarked reserves remain low at around £4m. The importance of delivering services within budget in 2021/22 will enable the Council to rebuild its earmarked reserves. A quantitative risk assessment will accompany a future budget report.
- 3.30 Whilst the £10m one-off creation of earmarked reserves as referred to above will help to redress the need to bolster such reserves, further resilience will be required and may be impacted by the certainty in delivering existing approved and new budget change proposals.
- 3.31 The thinking in respect of reserves needed has to be considered against a robustness of the budget, risks to the Council both from the market and specifically for Croydon, and evidence of demonstrable delivery of the existing 3 year budget approved in March 2021. Non –delivery will impact any possible recommendations and the ability to demonstrably show the Council can deliver a challenging budget.
- 3.32 This ability to deliver is particularly important given the scale of savings and improvements that need to be delivered in this and future years. With that in mind the new-year budget proposals will include thinking in respect of programme management and any strengthening needed in this respect.
- 3.33 It is particularly important that the Council shows it is able to both produce and deliver a robust sustainable budget where it is able to ‘stand on its own feet’ and be able to deal with the inevitable uncertainties of the existing economy, managing increasing demand and uncertainties of funding.
- 3.34 Inflation pressures are increasing and likely to increase further over the short to medium term. The current inflation assumptions are shown in the summary below over the next 3 years. This needs to be further reviewed in the new year budget reports (each 1% on pay and contracts is £2m and £3m respectively with a clear focus to maintain cost pressures to these limits:
- Pay Inflation – 2% per annum over next three years
  - Contract Inflation – 3% 2022/23; 2.5% 2023/24; 2.0% 2024/25

#### **4 HOUSING REVENUE ACCOUNT – REVENUE**

- 4.1 The Housing Revenue Account [*HRA*] is a ring-fenced element of the General Fund that under statute requires the income and expenditure relating to the Council acting as a social landlord to be separately accounted for and prevents the net cost of social housing provision to not be funded from the Council Tax payer.

- 4.2 As at Period 7, the HRA is forecasting a revenue overspend against approved 2021/22 budget of £0.786m – this forecast overspend would be met from HRA balances (£27.6m brought forward as per the draft 2020/21 accounts). A summary of the forecast variance for the HRA is set out in the table below:

Table 9 – Housing Revenue Account – Forecast Variance

	Forecast Variance (£,000's)
Responsive Repairs	492
Asset Management & Involvement	(697)
Allocations, Letting & Income Collection	289
Tenancy & Resident Engagement	124
Homelessness & Assessments	250
Directorate & Centralised Costs	327
	<u>786</u>

- 4.3 An exercise to update and develop a long-term business model for the HRA is currently being completed to assess the capital and revenue requirements to invest in the housing stock as well as the income to be expected to meet running expenses and fund capital investment costs. A report will be presented as part of the ongoing budget setting process that provides full details of this in the coming months to 7<sup>th</sup> February and also set out the Council's rent policy for the forthcoming year.

## **5 FINANCIAL CONSIDERATIONS**

- 5.1 As contained in this report.

## **6 LEGAL CONSIDERATIONS**

- 6.1 The Head of Litigation and Commercial Law comments on behalf of the Acting Director of Legal Services that, the provisions of the Local Government Finance Act 1992 sets out what the Council has to base its budget calculations upon, and require the Council to set a balanced budget with regard to the advice of the Council's section 151 officer. The setting of the budget is a function reserved to full Council, which needs to consider the draft budget which has been recommended for approval by Cabinet.
- 6.2 Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on among other things the robustness of the estimates made for the purposes of calculating the Council Tax and the adequacy of reserves the latter of which are addressed within this report in preparation for the budget reports in February 2022.

- 6.3 Section 28 of the Local Government Act 2003 imposes a duty on the Council to monitor its budgets throughout the financial year, using the same figures for reserves as were used in the original budget calculations. The Council must take necessary appropriate action to deal with any deterioration in the financial position revealed by the review.
- 6.4 When considering the budget proposals the Cabinet and Council will be mindful of their fiduciary duty to ensure that the Council's resources are used in a prudent and proportionate manner. Members are required to have regard to their statutory duties whilst bearing in mind the requirement to act reasonably when taking in to account the interests of the Council Tax payers. As with other decisions taken by Members, the general principles of administrative law must be adhered to: Lawful discretions 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 not be such that no reasonable authority, properly directing itself, could have reached it.
- 6.5 In considering the advice of officers, and the weight to be attached to that advice, members should have regard to the personal duties placed upon the Director of Corporate Resources and Section 151 Officer as Chief Financial Officer of the Authority. The Chief Financial Officer is required by Section 151 of the Local Government Act 1972 and by the Accounts and Audit Regulations 2015 to ensure that the Council's budgeting, financial management, and accounting practices meet relevant statutory and professional requirements.
- 6.6 The procedure to be followed in developing the budget proposals are set out in the Budget and Policy Framework Procedure Rules provided in Part 4.C of the Council's Constitution.
- 6.7 No legal advice has been provided in relation to legal implications of the contents of the appendices to this report as part of the report approval process. Members need to be aware that in order to deliver some of the budget proposals, action may be required to comply with relevant statutory processes which apply to the area in question which may include compliance with legal pre-requisites and requirements for consultation, notification, publication, data protection impact assessments and assessment of equality impacts of proposals. In relation to the latter requirement, Members are directed to the Equalities Impact section of this report. In summary, those such as the Council are subject to the public sector equality duty and must, in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
  - Advance equality of opportunity between people who share a protected characteristic and those who do not.

- Foster good relations between people who share a protected characteristic and those who do not.

6.8 As various work streams which form part of the proposals are approved by Full Council as part of the Budget and brought forward, legal consideration may be required on the progression and implementation thereof.

Approved by: Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Acting Director of Legal Services

## **7 HUMAN RESOURCES IMPACT**

7.1 The net total savings impact on staffing across the Council is 57.8 FTE posts to be deleted. The trade unions were informed on Friday 26 November 2021 of the savings proposals in accordance with the Council's restructuring and reorganisation procedure, and senior managers arranged local, in-person notification with affected staff groups, later the same day to ensure consistent and timely communications. In order to mitigate workforce impact, managers will delete vacant posts, where possible, and offer voluntary redundancy and/redeployment to affected staff supported by the HR team.

7.2 The change process will be delivered through separate, local restructures with lead managers, supported by HR, following the Council's restructuring and reorganisation procedure with meaningful consultation of staff and their trade union representatives, and following the statutory 30-day redundancy consultation required where between 20 and 99 staff are at risk of redundancy in a three-month period.

## **8 EQUALITIES IMPACT**

8.1 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 and the decisions in relation to the budget are reserved for Full Council – scheduled for 28 February 2022.

8.2 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.

8.3 The Council must, therefore, ensure that we have considered any equality implications for each of the budget proposals prior to the budget council meeting. The Council has an established Equality Impact Assessment [*EqIA*] process, with clear guidance and templates 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 certain characteristics protected by the Equality Act.

- 8.4 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.
- 8.5 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, to fully understand the impact of each savings proposal. This enables the Council to have proper regard to its statutory equality duties.
- 8.6 As an organisation we are committed to protecting the most vulnerable in our communities and to ensure that in making difficult decisions about funding we maintain an absolute commitment to tackling inequality and disadvantage and promoting equality for everyone who lives and works in the borough.
- 8.7 The initial stage of the EqIAs will screen for potential impacts on those with protected characteristics (race, sex, disability, religion or belief, sexual orientation, gender reassignment, pregnancy and maternity, and age), as well as non-statutory equalities considerations: language, socioeconomic and health and social wellbeing. Where it is identified that the proposal are expected to have an equality impact, a more detailed assessment is undertaken. This will then require services to identify mitigating actions to reduce the negative impact for any protected characteristic groups.
- 8.8 The impact of the proposals on staffing is addressed through Equality Analysis undertaken as part of the HR process.

## **9 ENVIRONMENTAL IMPACT**

- 9.1 As contained in the body of the report

## **10 CRIME AND DISORDER REDUCTION IMPACT**

- 10.1 As contained in the body of the report

## **11 DATA PROTECTION IMPLICATIONS**

- 11.1 As contained in the body of the report

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**REPORT AUTHOR:** Matthew Davis, Interim Director of Finance

**APPENDICES:** Appendix 1 – Detailed Budget Change Proposals



**BACKGROUND DOCUMENTS:** Approved 2021/22 Budget and Three Year MTFS  
– Council 8<sup>th</sup> Mar 21 (Item 18/21)

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## PREVIOUSLY APPROVED BUDGET CHANGES

(Note these changes have been re-classified by new Corporate Management Structure)

		<----- Incremental Changes ----->				<----- Cumulative Changes ----->			
		2021/22	2022/23	2023/24	2024/25	2021/22	2022/23	2023/24	2024/25
		(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
<b>Children, Young People &amp; Education</b>									
CFE Sav 02	Reconfiguration Of Early Help Services	(424)	(185)	-	-	(424)	(609)	(609)	(609)
CFE Sav 03	Reconfiguration Of Adolescent Services	(1,608)	-	-	-	(1,608)	(1,608)	(1,608)	(1,608)
CFE Sav 04	Review Of Children With Disabilities Care Packages	(384)	(384)	(384)	-	(384)	(768)	(1,152)	(1,152)
	Transfer to HWA - Transitions	217	-	-	-	217	217	217	217
CFE Sav 05	Reduction In Spend on Children In Care	(794)	(1,654)	(1,385)	-	(794)	(2,448)	(3,833)	(3,833)
CFE Sav 06	Review Support For Young People Where Appeal Rights Exhausted	(295)	(560)	(142)	-	(295)	(855)	(997)	(997)
CFE Sav 07	Improve Practice System Efficiency	(1,065)	(1,450)	(385)	-	(1,065)	(2,515)	(2,900)	(2,900)
CFE Sav 08	Embed Systemic Practice Model	(272)	-	-	-	(272)	(272)	(272)	(272)
CFE Sav 17	Release Of One Off Investment / Full Year Effect Of Savings From 2020/21	(1,462)	-	-	-	(1,462)	(1,462)	(1,462)	(1,462)
CFE Sav 15/CFE 16	Staffing Review	(1,471)	-	-	-	(1,471)	(1,471)	(1,471)	(1,471)
CFE Sav 09	Review Children'S Centres Delivery Model	(660)	(240)	-	-	(660)	(900)	(900)	(900)
CFE Sav 10	Reduce Non-Statutory Education Functions	(587)	(221)	-	-	(587)	(808)	(808)	(808)
CFE Sav 12	Early Learning Collaboration Contract	(82)	-	-	-	(82)	(82)	(82)	(82)
CFE Sav 14	Reduce Family Group Conference Service	(203)	-	-	-	(203)	(203)	(203)	(203)
	<b>Children, Young People &amp; Education Savings</b>	<b>(9,090)</b>	<b>(4,694)</b>	<b>(2,296)</b>	<b>-</b>	<b>(9,090)</b>	<b>(13,784)</b>	<b>(16,080)</b>	<b>(16,080)</b>
CFE Gro 01	Children Looked After Placements - fund Demographic and Cost Pressures	8,431	85	77	-	8,431	8,516	8,593	8,593
CFE Gro 02	Leaving Care - fund Demographic and Cost Pressures	2,031	-	-	-	2,031	2,031	2,031	2,031
CFE Gro 03	Children with Disabilities - fund Demographic and Cost Pressures	6,477	-	-	-	6,477	6,477	6,477	6,477
CFE Gro 08	Realignment of Budgets where other funding sources have ceased	1,719	-	-	-	1,719	1,719	1,719	1,719
CFE Gro 07	Realignment of Budgets from 2020/21	909	-	-	-	909	909	909	909
CFE Gro 04	SEND Strategy - support inclusion and access to local provision	866	-	-	-	866	866	866	866
	<b>Children, Young People &amp; Education Growth</b>	<b>20,433</b>	<b>85</b>	<b>77</b>	<b>-</b>	<b>20,433</b>	<b>20,518</b>	<b>20,595</b>	<b>20,595</b>
	<b>Children, Young People &amp; Education Net Proposals</b>	<b>11,343</b>	<b>(4,609)</b>	<b>(2,219)</b>	<b>-</b>	<b>11,343</b>	<b>6,734</b>	<b>4,515</b>	<b>4,515</b>

		<----- Incremental Changes ----->				<----- Cumulative Changes ----->			
		2021/22	2022/23	2023/24	2024/25	2021/22	2022/23	2023/24	2024/25
		(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
<b>Adult Social Care &amp; Health</b>									
HWA Sav 06	Baseline Savings - Disabilities Operational Budget	(3,015)	(4,371)	(5,570)	-	(3,015)	(7,386)	(12,956)	(12,956)
HWA Sav 07	Stretch Savings - Disabilities Operational Budget	(1,367)	(1,213)	293	-	(1,367)	(2,580)	(2,287)	(2,287)
	Transfer from CFE - Transitions	(217)	-	-	-	(217)	(217)	(217)	(217)
HWA Sav 08	Review Of Contracts - Obc Commissioning, Working Age Adults	(600)	(586)	-	-	(600)	(1,186)	(1,186)	(1,186)
HWA Sav 09	Baseline Savings - Mental Health Operational Budget	(459)	(683)	(881)	-	(459)	(1,142)	(2,023)	(2,023)
HWA Sav 10	Stretch Savings - Mental Health Operational Budget	(225)	(201)	47	-	(225)	(426)	(379)	(379)
HWA Sav 19 & 20	Savings On Care Provision - Asc Older People	(2,599)	(3,195)	(3,019)	-	(2,599)	(5,794)	(8,813)	(8,813)
HWA Sav 22	Income From Care Uk Beds Released To Self- Funders	(254)	(264)	(275)	-	(254)	(518)	(793)	(793)
HWA Sav 23	Staffing Review	(2,199)	-	-	-	(2,199)	(2,199)	(2,199)	(2,199)
<b>Adult Social Care &amp; Health Savings</b>		<b>(10,935)</b>	<b>(10,513)</b>	<b>(9,405)</b>	<b>-</b>	<b>(10,935)</b>	<b>(21,448)</b>	<b>(30,853)</b>	<b>(30,853)</b>
HWA Gro 02	Growth To Fund Current Activity/Run Rate	19,048	-	-	-	19,048	19,048	19,048	19,048
HWA Gro 06	Growth To Fund Cost Inflation In Care Uk Contract	254	264	275	-	254	518	793	793
HWA Gro 07/08/09	Growth To Fund Care Packages/Placements Projected Demographic And Cost Pressures	5,221	5,209	5,065	-	5,221	10,430	15,495	15,495
HWA Gro 10	Care Package/Placements Inflation Above Corporate Allowance	-	1,387	1,479	-	-	1,387	2,866	2,866
HWA Gro 11	Progression Team	360	-	-	-	360	360	360	360
HWA Gro xx	Rebase Income From Health Budget	4,000	-	-	-	4,000	4,000	4,000	4,000
HWA Gro xxx	Growth To Fund Demographic And Inflation Pressures In Community Equipment Service	57	59	61	-	57	116	177	177
<b>Adult Social Care &amp; Health Growth</b>		<b>28,940</b>	<b>6,919</b>	<b>6,880</b>	<b>-</b>	<b>28,940</b>	<b>35,859</b>	<b>42,739</b>	<b>42,739</b>
<b>Adult Social Care &amp; Health Net Proposals</b>		<b>18,005</b>	<b>(3,594)</b>	<b>(2,525)</b>	<b>-</b>	<b>18,005</b>	<b>14,411</b>	<b>11,886</b>	<b>11,886</b>
<b>Housing</b>									
HWA Sav 23	Staffing Review	(1,239)	-	-	-	(1,239)	(1,239)	(1,239)	(1,239)
HWA Sav 01	Reduction Of Welfare Rights	(442)	(88)	-	-	(442)	(530)	(530)	(530)
HWA Sav 13	Reduction In Placements & Accommodation NRPB Budget	(200)	(100)	(100)	-	(200)	(300)	(400)	(400)
HWA Sav 15	Croydon Discretionary Support - Reduction In Service	(285)	(7)	-	-	(285)	(292)	(292)	(292)
HWA Sav 16	Croydon Discretionary Support - Deletion Of Service	(235)	(7)	-	-	(235)	(242)	(242)	(242)
HWA Sav 18	Restructure In Gateway Services	(114)	(21)	-	-	(114)	(135)	(135)	(135)

		<----- Incremental Changes ----->				<----- Cumulative Changes ----->			
		2021/22	2022/23	2023/24	2024/25	2021/22	2022/23	2023/24	2024/25
		(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
HWA Sav 25	Increase In Homelessness Prevention Grant	(1,679)	-	-	-	(1,679)	(1,679)	(1,679)	(1,679)
	<b>Housing Savings</b>	<b>(4,194)</b>	<b>(223)</b>	<b>(100)</b>	<b>-</b>	<b>(4,194)</b>	<b>(4,417)</b>	<b>(4,517)</b>	<b>(4,517)</b>
HWA Gro 05	Emergency/Temporary Accommodation Officers	311	-	-	-	311	311	311	311
	<b>Housing Growth</b>	<b>311</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>311</b>	<b>311</b>	<b>311</b>	<b>311</b>
	<b>Housing Net Proposals</b>	<b>(3,883)</b>	<b>(223)</b>	<b>(100)</b>	<b>-</b>	<b>(3,883)</b>	<b>(4,106)</b>	<b>(4,206)</b>	<b>(4,206)</b>
<b><u>Sustainable Communities, Regeneration &amp; Economic Recovery</u></b>									
CFE Sav 13	Croydon Music & Arts (Cma)	(126)	-	-	-	(126)	(126)	(126)	(126)
PLA Sav 03	Closure Of Libraries Buildings	9	(404)	-	-	9	(395)	(395)	(395)
PLA Sav 20	Closure Of South Norwood Library	-	(100)	-	-	-	(100)	(100)	(100)
PLA Sav 21	Combining Posts Across Museum And Libraries	(73)	-	-	-	(73)	(73)	(73)	(73)
PLA Sav 05	Economic Development Team Streamlined Service	(208)	(52)	-	-	(208)	(260)	(260)	(260)
PLA Sav 06	Move To Streamlined Regeneration Team	(153)	(51)	-	-	(153)	(204)	(204)	(204)
PLA Sav 18	Economy & Jobs - Remove Pressure From General Fund	(66)	-	-	-	(66)	(66)	(66)	(66)
PLA Sav 19	Merge Parks And Green Spaces	(369)	(80)	-	-	(369)	(449)	(449)	(449)
PLA Sav 07	Reduce Spatial Planning (Local Plan Team And Place Making Team)	-	(484)	-	-	-	(484)	(484)	(484)
PLA Sav 11	Cease Specialist Nursery Transport	(113)	(57)	-	-	(113)	(170)	(170)	(170)
PLA Sav 10	ANPR Camera Enforcement	(5,025)	(3,180)	(3,401)	-	(5,025)	(8,205)	(11,606)	(11,606)
PLA Sav 24	Parking Charges Increases	(3,014)	-	-	-	(3,014)	(3,014)	(3,014)	(3,014)
PLA Sav 08	Public Realm - Staffing Review	(270)	(90)	-	-	(270)	(360)	(360)	(360)
PLA Sav 23	Providers' Savings Proposals	(166)	-	-	-	(166)	(166)	(166)	(166)
PLA Sav 12	Revised Landlord Licensing Scheme	1,500	(2,300)	-	-	1,500	(800)	(800)	(800)
PLA Sav 13	Night Time Noise Reduction Service	(85)	(28)	-	-	(85)	(113)	(113)	(113)
PLA Sav 22	Re-Introduce Bulky Waste Charges	(307)	-	-	-	(307)	(307)	(307)	(307)
PLA Sav 09	Reviewing Provision Of Household Reuse And Recycling Centres (HRRCS)	(11)	(100)	-	-	(11)	(111)	(111)	(111)
PLA Sav 01	Reduce The Antisocial Behaviour Team	(80)	-	-	-	(80)	(80)	(80)	(80)
PLA Sav 04	Reduce Functions And Team In The Violence Reduction Unit	(204)	-	-	-	(204)	(204)	(204)	(204)
PLA Sav 27	15% Immediate Measures Staffing Savings	(3,418)	-	-	-	(3,418)	(3,418)	(3,418)	(3,418)
	<b>Sustainable Communities, Regeneration &amp; Economic Recovery Savings</b>	<b>(12,179)</b>	<b>(6,926)</b>	<b>(3,401)</b>	<b>-</b>	<b>(12,179)</b>	<b>(19,105)</b>	<b>(22,506)</b>	<b>(22,506)</b>
PLA Gro 05	Highways Maintenance Growth	400	1,000	1,000	-	400	1,400	2,400	2,400

		<----- Incremental Changes ----->				<----- Cumulative Changes ----->			
		2021/22	2022/23	2023/24	2024/25	2021/22	2022/23	2023/24	2024/25
		(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
PLA Gro 10	Active Lives Ph Funding	418	-	-	-	418	418	418	418
PLA Gro 01	Violence Reduction Management - Sufficient Revenue Costs	82	-	-	-	82	82	82	82
<b>Sustainable Communities, Regeneration &amp; Economic Recovery Growth</b>		<b>900</b>	<b>1,000</b>	<b>1,000</b>	<b>-</b>	<b>900</b>	<b>1,900</b>	<b>2,900</b>	<b>2,900</b>
<b>Sustainable Communities, Regen &amp; Economic Recovery Net Proposals</b>		<b>(11,279)</b>	<b>(5,926)</b>	<b>(2,401)</b>	<b>-</b>	<b>(11,279)</b>	<b>(17,205)</b>	<b>(19,606)</b>	<b>(19,606)</b>
<b><u>Assistant Chief Executive</u></b>									
HWA Sav 23	Staffing Review	(120)	-	-	-	(120)	(120)	(120)	(120)
HWA Sav 17	Contact Centre And Access Croydon - Reduction In Line Management	(87)	(8)	-	-	(87)	(95)	(95)	(95)
HWA Sav 24	Savings On TfL Freedom Pass Due To Reduction In Usage	(2,375)	-	-	-	(2,375)	(2,375)	(2,375)	(2,375)
RES Sav 11	Voluntary Community Services Small Grants	(100)	-	-	-	(100)	(100)	(100)	(100)
RES Sav 10	Rent Subsidy	(244)	-	-	-	(244)	(244)	(244)	(244)
RES Sav 31	Business Intelligence	(65)	-	-	-	(65)	(65)	(65)	(65)
RES Sav 09	Policy Team Reduction	(110)	-	-	-	(110)	(110)	(110)	(110)
RES Sav 07	Communities Team Reduction	(123)	-	-	-	(123)	(123)	(123)	(123)
RES Sav 20	Community Safety Fund Reduction	-	(400)	-	-	-	(400)	(400)	(400)
RES Sav 29	Stop Your Croydon Publication	(50)	-	-	-	(50)	(50)	(50)	(50)
RES Sav 13	Reduction To The Communications Team	(218)	-	-	-	(218)	(218)	(218)	(218)
RES Sav 27	Removal Of Campaigns And Stop Campaigns Budget	(50)	-	-	-	(50)	(50)	(50)	(50)
REV Sav 26	Restructure Of Croydon Digital Services To Provide A Reduced Service For Support And Maintenance Of Core Ict For Staff	(175)	(30)	-	-	(175)	(205)	(205)	(205)
RES Sav 24	Croydon Digital Services Reduction In It Contract Costs Due To Smaller Workforce	(50)	(100)	-	-	(50)	(150)	(150)	(150)
RES Sav 23	Extensions Or Procurements Of Core It Contracts	(340)	(150)	(250)	-	(340)	(490)	(740)	(740)
RES Sav 25	Rent Out Lbc Capacity To Brent	(72)	-	-	-	(72)	(72)	(72)	(72)
RES Sav 22	Croydon Digital Services Large Format Digital Advertising	-	(45)	(150)	-	-	(45)	(195)	(195)
RES Sav 16	Reduce Staffing In Mayor'S Office	(98)	-	-	-	(98)	(98)	(98)	(98)
RES Sav 15	Deliver Governance Review In Cost Neutral Way	(250)	-	-	-	(250)	(250)	(250)	(250)
RES Sav 18	Scale Back Members Special Responsibility Allowances	(303)	-	-	-	(303)	(303)	(303)	(303)
RES Sav 04	Deletion Of Legacy Oracle Financials	-	-	(60)	-	-	-	(60)	(60)
RES Sav 03	Reduce Learning And Organisational Development Service	-	-	(135)	-	-	-	(135)	(135)

		<----- Incremental Changes ----->				<----- Cumulative Changes ----->			
		2021/22	2022/23	2023/24	2024/25	2021/22	2022/23	2023/24	2024/25
		(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
RES Sav 05	Redesign Core Teams Within The Human Resources Service Based On Workflow Assessment	-	-	(200)	-	-	-	(200)	(200)
RES Sav 06	Hr Management Team Reorganisation	-	-	(210)	-	-	-	(210)	(210)
RES Sav 01	Deletion Of Learning And Development Manager Post	(80)	-	-	-	(80)	(80)	(80)	(80)
RES Sav 30	Consolidation Of Training Spend	(200)	-	-	-	(200)	(200)	(200)	(200)
RES Sav 41	15% Immediate Measures Staffing Savings	(563)	-	-	-	(563)	(563)	(563)	(563)
	<b>Assistant Chief Executive Savings</b>	<b>(5,673)</b>	<b>(733)</b>	<b>(1,005)</b>	<b>-</b>	<b>(5,673)</b>	<b>(6,406)</b>	<b>(7,411)</b>	<b>(7,411)</b>
COR Gro 27	Improvement Costs	1,000	-	-	-	1,000	1,000	1,000	1,000
RES Gro 11	Business Intelligence Team - Permanent Resource	212	-	-	-	212	212	212	212
RES Gro 04	Correction Of Reliance On Capital Funding For Business As Usual Works	4,054	(325)	(355)	-	4,054	3,729	3,374	3,374
Seth A	Cost Of May 2022 Election (Net Of Reserve)	-	250	(250)	-	-	250	-	-
Seth A	Cost Of Directly Elected Mayor Referendum	650	(650)	-	-	650	-	-	-
RES Gro 03	Corporate Programme Management Office	480	-	-	-	480	480	480	480
RES Gro x	Additional Hr Capacity To Support Organisational Change	253	5	(258)	-	253	258	-	-
	<b>Assistant Chief Executive Growth</b>	<b>6,649</b>	<b>(720)</b>	<b>(863)</b>	<b>-</b>	<b>6,649</b>	<b>5,929</b>	<b>5,066</b>	<b>5,066</b>
	<b>Assistant Chief Executive Net Proposals</b>	<b>976</b>	<b>(1,453)</b>	<b>(1,868)</b>	<b>-</b>	<b>976</b>	<b>(477)</b>	<b>(2,345)</b>	<b>(2,345)</b>
<b>Resources</b>									
PLA Sav 26	Savings On Building Closures / Disposals	(126)	(452)	(112)	-	(126)	(578)	(690)	(690)
PLA Sav 25	Savings On Facilities Management	(333)	-	-	-	(333)	(333)	(333)	(333)
PLA Sav 27	15% Immediate Measures Staffing Savings	(247)	-	-	-	(247)	(247)	(247)	(247)
RES Sav 12	Hwa Contract Reductions	(242)	(110)	(75)	-	(242)	(352)	(427)	(427)
RES Sav 32	Community Equipment Service Income Generation	(75)	-	(50)	-	(75)	(75)	(125)	(125)
RES Sav 33	Review Of Staffing Portfolio Across C&P Services (Procurement, Hwa, Place, Cfe And P&B)	(260)	(175)	(100)	-	(260)	(435)	(535)	(535)
RES Sav 36	Consolidate Debt Collection	-	(60)	-	-	-	(60)	(60)	(60)
RES Sav 37	Simpler Council Tax Support Scheme	-	(250)	-	-	-	(250)	(250)	(250)
RES Sav 38	Automation Of Revenue Processes	(50)	(100)	-	-	(50)	(150)	(150)	(150)
RES Sav 39	Digital By Default For Billing	-	(120)	-	-	-	(120)	(120)	(120)
RES Sav 40	ICT Savings	(10)	(153)	(47)	-	(10)	(163)	(210)	(210)
RES Sav 41	15% Immediate Measures Staffing Savings	(1,254)	-	-	-	(1,254)	(1,254)	(1,254)	(1,254)

		<----- Incremental Changes ----->				<----- Cumulative Changes ----->			
		2021/22	2022/23	2023/24	2024/25	2021/22	2022/23	2023/24	2024/25
		(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
<b>Resources Savings</b>		<b>(2,597)</b>	<b>(1,420)</b>	<b>(384)</b>	<b>-</b>	<b>(2,597)</b>	<b>(4,017)</b>	<b>(4,401)</b>	<b>(4,401)</b>
PLA Gro 06	Unachievable Fm Staff Savings	100	-	-	-	100	100	100	100
PLA Gro 09	Reduction Of Recharges Of Revenue Costs To Capital	1,360	-	-	-	1,360	1,360	1,360	1,360
PLA Gro 07	Investment Property Income Decline	6,445	(150)	-	-	6,445	6,295	6,295	6,295
PLA Gro 08	Landlords Rent Growth	1,297	(50)	-	-	1,297	1,247	1,247	1,247
RES Gro 13	Growth To Remove Unachievable Parking Permits Saving	300	-	-	-	300	300	300	300
RES Gro 07	Agency Rebate Internal Model	3,610	-	-	-	3,610	3,610	3,610	3,610
RES Gro 12	Croydon Equipment Service Pension Cost Shortfall	308	-	-	-	308	308	308	308
RES Gro 05	Build Resilience For The Finance Team	1,000	-	-	-	1,000	1,000	1,000	1,000
RES Gro 14	Removal Of Gateway Income Virement Pressure	218	-	-	-	218	218	218	218
<b>Resources - Growth</b>		<b>14,638</b>	<b>(200)</b>	<b>-</b>	<b>-</b>	<b>14,638</b>	<b>14,438</b>	<b>14,438</b>	<b>14,438</b>
<b>Resources Net Proposals</b>		<b>12,041</b>	<b>(1,620)</b>	<b>(384)</b>	<b>-</b>	<b>12,041</b>	<b>10,421</b>	<b>10,037</b>	<b>10,037</b>
<b>Corporate &amp; Cross-Cutting</b>									
RES Gro 09	Unachieved 20/21 Saving - Recharges To HRA	2,000	-	-	-	2,000	2,000	2,000	2,000
RES Gro 08	Unachieved 20/21 Saving - Recharges To Capital	500	-	-	-	500	500	500	500
COR Sav 05	Pension Contribution	(589)	(589)	-	-	(589)	(1,178)	(1,178)	(1,178)
COR Sav 06	Increased Social Care Grant	(405)	-	-	-	(405)	(405)	(405)	(405)
COR Sav 07	Lower Tier Services Grant	(634)	-	-	-	(634)	(634)	(634)	(634)
COR Sav 17	Fees And Charges	(1,000)	(200)	(200)	-	(1,000)	(1,200)	(1,400)	(1,400)
COR Sav 14	Use Of Nndr Smoothing Risk Reserve	(7,000)	7,000	-	-	(7,000)	-	-	-
COR Gro 22	Business Rates S31 Grant Funding	(18,072)	24,199	-	-	(18,072)	6,127	6,127	6,127
COR Gro 19	Interest Payable	(77)	(490)	(2,569)	-	(77)	(567)	(3,136)	(3,136)
COR Sav 15	Local Council Tax Income Guarantee 20/21 Grant	(4,536)	4,536	-	-	(4,536)	-	-	-
COR Sav 04	Revenue Support Grant	(78)	(284)	(290)	-	(78)	(362)	(652)	(652)
COR Sav 11	Business Rates Top-Up Grant	-	(2,883)	(733)	-	-	(2,883)	(3,616)	(3,616)
COR Sav 12	Locally Retained Business Rates	(134)	(526)	(751)	-	(134)	(660)	(1,411)	(1,411)
COR Sav 01	Council Tax - Tax Base Changes	4,045	(4,357)	(2,920)	-	4,045	(312)	(3,232)	(3,232)
COR Sav 02	Council Tax - Social Care Precept	(5,660)	-	-	-	(5,660)	(5,660)	(5,660)	(5,660)
COR Sav 03	Council Tax - Band D General Increase	(3,755)	(4,033)	(4,176)	-	(3,755)	(7,788)	(11,964)	(11,964)
<b>Corporate &amp; Cross-Cutting Savings</b>		<b>(35,395)</b>	<b>22,373</b>	<b>(11,639)</b>	<b>-</b>	<b>(35,395)</b>	<b>(13,022)</b>	<b>(24,661)</b>	<b>(24,661)</b>
COR Gro 01	Pay Inflation Provision	2,804	3,814	3,890	-	2,804	6,618	10,508	10,508



		<----- Incremental Changes ----->				<----- Cumulative Changes ----->			
		2021/22	2022/23	2023/24	2024/25	2021/22	2022/23	2023/24	2024/25
		(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
COR Gro 02	Contract Inflation Provision	5,142	6,859	6,996	-	5,142	12,001	18,997	18,997
COR Gro 03	New Homes Bonus	2,161	3,400	1,768	-	2,161	5,561	7,329	7,329
COR Gro 05	Bad Debt Provision	100	-	-	-	100	100	100	100
COR Gro 06	Contingency Provision	3,000	5,000	5,000	-	3,000	8,000	13,000	13,000
COR Gro 09	Precepts And Levies	30	31	31	-	30	61	92	92
COR Gro 24	Asylum Seekers Budget Correction	2,137	-	-	-	2,137	2,137	2,137	2,137
COR Gro 20	Cessation Of Flexible Homelessness Support Grant	1,100	-	-	-	1,100	1,100	1,100	1,100
COR Gro 17	Interest On Brick By Brick Loans	4,592	6,908	-	-	4,592	11,500	11,500	11,500
COR Gro 18	Dividend On Brick By Brick Investment	5,200	-	-	-	5,200	5,200	5,200	5,200
COR Gro 25	Other Interest Receivable	1,871	-	-	-	1,871	1,871	1,871	1,871
COR Gro 26	Minimum Revenue Provision Charges	949	1,461	584	-	949	2,410	2,994	2,994
COR Gro 11	Contribution To Gf Balances	5,000	5,000	5,000	-	5,000	10,000	15,000	15,000
COR Gro 04	Collection Fund (Surplus) / Deficit - Council Tax	2,451	52	-	-	2,451	2,503	2,503	2,503
COR Sav 16	Lcig 20/21 Grant Transfer To/(From) Earmarked Reserve	3,024	(4,536)	-	-	3,024	(1,512)	(1,512)	(1,512)
COR Gro 23	Business Rates S31 Grant Smoothing Reserve	17,649	(17,649)	-	-	17,649	-	-	-
COR Sav 13	Collection Fund (Surplus) / Deficit - Nndr	185	(1,910)	-	-	185	(1,725)	(1,725)	(1,725)
COR Gro 21	Nndr Collection Fund 20-21 Deficit - Spreading Cost	797	-	-	-	797	797	797	797
<b>Corporate &amp; Cross-Cutting Growth</b>		<b>58,192</b>	<b>8,430</b>	<b>23,269</b>	<b>-</b>	<b>58,192</b>	<b>66,622</b>	<b>89,891</b>	<b>89,891</b>
<b>Corporate &amp; Cross-Cutting Net Proposals</b>		<b>22,797</b>	<b>30,803</b>	<b>11,630</b>	<b>-</b>	<b>22,797</b>	<b>53,600</b>	<b>65,230</b>	<b>65,230</b>
Assumed Capitalisation Directions		(50,000)	25,000	20,000	-	(50,000)	(25,000)	(5,000)	(5,000)
Total - All Savings		(80,063)	(2,136)	(28,230)	-	(80,063)	(82,199)	(110,429)	(110,429)
Total - All Growth		130,063	15,514	30,363	-	130,063	145,577	175,940	175,940
Total Capitalisation Direction		(50,000)	25,000	20,000	-	(50,000)	(25,000)	(5,000)	(5,000)
<b>Summary of All Approved (March 2021) Budget Changes</b>		<b>-</b>	<b>38,378</b>	<b>22,133</b>	<b>-</b>	<b>-</b>	<b>38,378</b>	<b>60,511</b>	<b>60,511</b>

<----- Incremental Changes ----->				<----- Cumulative Changes ----->			
2021/22	2022/23	2023/24	2024/25	2021/22	2022/23	2023/24	2024/25
(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)

## APPENDIX 1 - NEW BUDGET CHANGE PROPOSALS

### Children, Young People & Education

22/23 CFE SAV 04	Increase the Education Traded Offer	-	(65)	(65)	-	(65)	(130)	(130)
22/23 CFE SAV 02	Youth Service review	-	(392)	-	-	(392)	(392)	(392)
	Contract Savings	-	(71)	-	-	(71)	(71)	(71)
22/23 CFE SAV 01	Growth reduction	(2,000)	(1,000)	(330)	(330)	(2,000)	(3,000)	(3,330)
	NHS Funding	-	(867)	-	-	(867)	(867)	(867)
22/23 CFE SAV 05	Capitalisation of System Team Staff Costs	-	(216)	216	-	(216)	-	-
22/23 CFE SAV 06	Develop Family Support Centres and introduce external funding	-	-	(1,300)	-	-	(1,300)	(1,300)
	<b>Children, Young People &amp; Education Savings</b>	<b>(2,000)</b>	<b>(2,611)</b>	<b>(1,479)</b>	<b>(330)</b>	<b>(2,000)</b>	<b>(4,611)</b>	<b>(6,090)</b>
22/23 CFE GRO 02	New commissioning for targetted youth provision	-	200	(100)	(100)	-	200	100
	<b>Children, Young People &amp; Education Growth</b>	<b>-</b>	<b>200</b>	<b>(100)</b>	<b>(100)</b>	<b>-</b>	<b>200</b>	<b>100</b>
	<b>Children, Young People &amp; Education Net Proposals</b>	<b>(2,000)</b>	<b>(2,411)</b>	<b>(1,579)</b>	<b>(430)</b>	<b>(2,000)</b>	<b>(4,411)</b>	<b>(5,990)</b>

### Adult Social Care & Health

22/23 HWA SAV 20	Review of disability (Inc transitions) packages of care	-	(566)	-	-	(566)	(566)	(566)
22/23 HWA SAV 23	Review of Older Adults Packages of Care	-	(505)	-	-	(505)	(505)	(505)
22/23 HWA SAV 22	Review of Mental Health Packages of Care	-	(50)	-	-	(50)	(50)	(50)
22/23 HWA SAV 25	Innovation Budget Reduction	-	(180)	-	-	(180)	(180)	(180)
22/23 HWA SAV 24	Removal of previously agreed growth - HWA GRO10	-	(1,387)	-	-	(1,387)	(1,387)	(1,387)
22/23 HWA SAV 19	Capitalise Savings Project Mgmt Costs	-	(1,100)	-	740	(1,100)	(1,100)	(360)
	<b>Adult Social Care &amp; Health Savings</b>	<b>-</b>	<b>(3,788)</b>	<b>-</b>	<b>740</b>	<b>(3,788)</b>	<b>(3,788)</b>	<b>(3,048)</b>
22/23 HWA GRO 02	Invest to Save in Carers Support	-	70	-	-	70	70	70
22/23 HWA GRO 03	Financial Assessments Improvements	-	50	-	-	50	50	50
22/23 HWA GRO 04	Replacement of Public Health Funding	-	380	-	-	380	380	380
	<b>Adult Social Care &amp; Health Growth</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>500</b>	<b>500</b>
	<b>Adult Social Care &amp; Health Net Proposals</b>	<b>-</b>	<b>(3,288)</b>	<b>-</b>	<b>740</b>	<b>(3,288)</b>	<b>(3,288)</b>	<b>(2,548)</b>

### Housing

		<----- Incremental Changes ----->				<----- Cumulative Changes ----->			
		2021/22	2022/23	2023/24	2024/25	2021/22	2022/23	2023/24	2024/25
		(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
22/23 HSG SAV 01	Impact of maximising homelessness prevention	-	(578)	(683)	-	-	(578)	(1,261)	(1,261)
22/23 HSG SAV 02	Impact of increasing speed of homelessness decisions	-	(101)	(179)	-	-	(101)	(280)	(280)
22/23 HSG SAV 03	Increase use of LA Stock for EA/TA	-	(163)	(187)	-	-	(163)	(350)	(350)
22/23 HSG SAV 04	Repurpose under-utilised sheltered housing stock	-	(158)	(53)	-	-	(158)	(211)	(211)
22/23 HSG SAV 05	Reduction in housing stock supply under occupancy	-	(77)	(91)	-	-	(77)	(168)	(168)
22/23 HSG SAV 06	Incentivising empty private properties into use for EA/TA	-	(96)	(114)	-	-	(96)	(210)	(210)
22/23 HSG SAV 07	Ending EA/TA where the council has no duty	-	(193)	(35)	-	-	(193)	(228)	(228)
22/23 HSG SAV 08	Bringing long term voids back into use	-	(103)	(100)	-	-	(103)	(203)	(203)
22/23 HSG SAV 09	Incentivising temporary accomodation leasing schemes	-	(138)	(163)	-	-	(138)	(301)	(301)
22/23 HSG SAV 10	Housing supply pipeline maximisation	-	(80)	(109)	-	-	(80)	(189)	(189)
22/23 HSG SAV 11	Contract Reviews	-	(250)	-	-	-	(250)	(250)	(250)
22/23 HSG SAV 12	Staffing Review	-	(225)	(75)	-	-	(225)	(300)	(300)
22/23 HSG SAV 13	Income Maximisation - Rent Collection	-	(240)	-	-	-	(240)	(240)	(240)
22/23 HSG SAV 14	Housing Benefit Maximisation	-	(100)	-	-	-	(100)	(100)	(100)
<b>Housing Savings</b>		-	(2,502)	(1,789)	-	-	(2,502)	(4,291)	(4,291)
22/23 HSG GRO 01	EA/TA Pressures	-	2,000	-	-	-	2,000	2,000	2,000
<b>Housing Growth</b>		-	2,000	-	-	-	2,000	2,000	2,000
<b>Housing Net Proposals</b>		-	(502)	(1,789)	-	-	(502)	(2,291)	(2,291)
<b><u>Sustainable Communities, Regeneration &amp; Economic Recovery</u></b>									
22/23 PLA SAV 26	CCTV merger	-	-	(4)	-	-	-	(4)	(4)
	CCTV footage charge for insurance claims	-	-	(2)	-	-	-	(2)	(2)
22/23 PLA SAV 14	Review CCTV Control Room and functions following council telephony upgrade	-	-	(152)	-	-	-	(152)	(152)
22/23 PLA SAV 11	Review of bin charging policy	-	(50)	-	-	-	(50)	(50)	(50)
22/23 PLA SAV 13	Charging managing agents for contaminated waste removal	-	(95)	5	5	-	(95)	(90)	(85)
22/23 PLA SAV 03	Review and reduction of the Neighbourhood Operations (NSO team)	-	(950)	(150)	-	-	(950)	(1,100)	(1,100)
22/23 PLA SAV 12	Review of clinical waste (clinical v offensive)	-	(30)	-	-	-	(30)	(30)	(30)
22/23 PLA SAV 06	Introduction of a variable lighting policy	(152)	(265)	-	-	(152)	(417)	(417)	(417)
	ASB Charging	-	-	(6)	-	-	-	(6)	(6)
22/23 PLA SAV 05	Withdraw council funding for school crossing patrols	-	(50)	-	-	-	(50)	(50)	(50)

		<----- Incremental Changes ----->				<----- Cumulative Changes ----->			
		2021/22	2022/23	2023/24	2024/25	2021/22	2022/23	2023/24	2024/25
		(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
22/23 PLA SAV 10	Adult Travel assistance review	-	(150)	(50)	-	-	(150)	(200)	(200)
22/23 PLA SAV 02	Bus Re-Tender Contract Savings	-	(120)	(80)	-	-	(120)	(200)	(200)
22/23 PLA SAV 04	Private Sector Environmental Enforcement	-	(250)		-	-	(250)	(250)	(250)
22/23 PLA SAV 08	Parking charges increase	-	(650)	(200)	-	-	(650)	(850)	(850)
22/23 PLA SAV 09	Independent travel optimisation	-	(20)	-	-	-	(20)	(20)	(20)
22/23 PLA SAV 28	New gym in Monks Hill Leisure Centre	-	(90)	(90)	-	-	(90)	(180)	(180)
22/23 PLA SAV 29	Non-capital and contract impact of Purley Leisure Centre closure	-	(50)	-	-	-	(50)	(50)	(50)
22/23 PLA Sav 20	Increase in Pre Planning Applications	-	(66)	-	-	-	(66)	(66)	(66)
22/23 PLA SAV 18	Reduce existing Leisure management fee	-	(510)	-	-	-	(510)	(510)	(510)
22/23 PLA SAV 19	Alternative funding for Libraries Books and Publications	-	(300)	-	-	-	(300)	(300)	(300)
22/23 PLA SAV 19	Reduction of Revenue Posts in Economy & Employment	-	(138)	(46)	-	-	(138)	(184)	(184)
	Amalgamation of spatial planning team and regeneration team	(23)	(34)	-	-	(23)	(57)	(57)	(57)
22/23 PLA SAV 31	Merger of Management Functions in Place	-	(100)	(230)	-	-	(100)	(330)	(330)
	<b>Sustainable Communities, Regeneration &amp; Economic Recovery Savings</b>	<b>(175)</b>	<b>(3,918)</b>	<b>(1,005)</b>	<b>5</b>	<b>(175)</b>	<b>(4,093)</b>	<b>(5,098)</b>	<b>(5,093)</b>
22/23 PLA GRO 02	Additional seasonal grounds maintenance workers	-	360	-	-	-	360	360	360
22/23 PLA GRO 03	Fairfield Halls Management Fee	-	193	(119)	-	-	193	74	74
22/23 PLA GRO 04	Special Educational Needs pupil transport (pupil number growth)	-	1,313	-	-	-	1,313	1,313	1,313
22/23 PLA GRO 05	Unavoidable contract inflation	-	610	-	-	-	610	610	610
22/23 PLA GRO 06	Unavoidable contract inflation not applied in 21/22	-	743	-	-	-	743	743	743
22/23 PLA GRO 01	Property growth / waste growth and new government charges	-	693	-	-	-	693	693	693
22/23 PLA GRO 10	Landlord licensing scheme - loss of income	-	3,062	-	-	-	3,062	3,062	3,062
	<b>Sustainable Communities, Regeneration &amp; Economic Recovery Growth</b>	<b>-</b>	<b>6,974</b>	<b>(119)</b>	<b>-</b>	<b>-</b>	<b>6,974</b>	<b>6,855</b>	<b>6,855</b>
	<b>Sustainable Communities, Regen &amp; Economic Recovery Net Proposals</b>	<b>(175)</b>	<b>3,056</b>	<b>(1,124)</b>	<b>5</b>	<b>(175)</b>	<b>2,881</b>	<b>1,757</b>	<b>1,762</b>
<b><u>Assistant Chief Executive</u></b>									
22/23 RES SAV 18	Reduction in previously agreed growth - RES GRO 10	-	(207)	207	-	-	(207)	-	-
22/23 RES SAV 17	HR Whole service redesign	-	(210)	200	-	-	(210)	(10)	(10)
22/23 RES SAV 16	Learning and Organisational Development redesign	-	(50)	85	-	-	(50)	35	35
22/23 RES SAV 15	Croydon Digital Service staffing reduction	-	(97)	-	-	-	(97)	(97)	(97)

		<----- Incremental Changes ----->				<----- Cumulative Changes ----->			
		2021/22	2022/23	2023/24	2024/25	2021/22	2022/23	2023/24	2024/25
		(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
22/23 RES SAV 13	Increase Croydon Digital Service capitalisation	(510)	-	-	-	(510)	(510)	(510)	(510)
22/23 RES SAV 14	Mobile phone reductions	(8)	(30)	-	-	(8)	(38)	(38)	(38)
	Refocusing Public Health funding	-	(780)	(465)	-	-	(780)	(1,245)	(1,245)
	Saving through online engagement and consultation	-	(20)	-	-	-	(20)	(20)	(20)
22/23 COR SAV 09	Rationalisation of software applications and contracts	-	(750)	-	-	-	(750)	(750)	(750)
22/23 COR SAV 08	Digital resident self service	-	-	(750)	(750)	-	-	(750)	(1,500)
22/23 COR SAV 07	Workforce digital capability	-	-	(500)	(1,000)	-	-	(500)	(1,500)
	Implementation of new senior structures	-	(500)	-	-	-	(500)	(500)	(500)
	Implementation of new structures through layers and spans review	-	-	-	(500)	-	-	-	(500)
	<b>Assistant Chief Executive Savings</b>	<b>(518)</b>	<b>(2,644)</b>	<b>(1,223)</b>	<b>(2,250)</b>	<b>(518)</b>	<b>(3,162)</b>	<b>(4,385)</b>	<b>(6,635)</b>
22/23 RES GRO 08	Establishing an Elected Mayor's Office	-	330	-	-	-	330	330	330
22/23 RES GRO 05	Registrars Growth	-	28	-	-	-	28	28	28
22/23 RES GRO 09	Registrars Income Shortfall	-	300	-	-	-	300	300	300
	Additional Mayoral Election Costs	-	240	(180)	-	-	240	60	60
22/23 RES GRO 02	Complaints Recharge Growth	-	290	-	-	-	290	290	290
22/23 RES GRO 06	Reversal of 21/22 Croydon Digital Service Saving	-	325	355	-	-	325	680	680
22/23 RES GRO 01	Staff Resourcing in Committee Services	51	-	-	-	51	51	51	51
	<b>Assistant Chief Executive Growth</b>	<b>51</b>	<b>1,513</b>	<b>175</b>	<b>-</b>	<b>51</b>	<b>1,564</b>	<b>1,739</b>	<b>1,739</b>
	<b>Assistant Chief Executive Net Proposals</b>	<b>(467)</b>	<b>(1,131)</b>	<b>(1,048)</b>	<b>(2,250)</b>	<b>(467)</b>	<b>(1,598)</b>	<b>(2,646)</b>	<b>(4,896)</b>
<b>Resources</b>									
22/23 PLA SAV 24	Reduction in postage costs	-	(25)	-	-	-	(25)	(25)	(25)
22/23 PLA SAV 25	Review and release of additional space in BWH	-	(388)	(1,039)	(650)	-	(388)	(1,427)	(2,077)
	Further asset disposals	-	(1,000)	-	-	-	(1,000)	(1,000)	(1,000)
22/23 RES SAV 01	Council wide legal services review	-	(130)	-	-	-	(130)	(130)	(130)
22/23 RES SAV 02	Legal business team review	-	(65)	-	-	-	(65)	(65)	(65)
22/23 RES SAV 12	Income from additional digital billboards	-	30	(70)	(80)	-	30	(40)	(120)
22/23 RES SAV 08	Contract Savings	-	(53)	-	-	-	(53)	(53)	(53)
22/23 RES SAV 10	Procurement team changes in Adults and Childrens	-	(61)	-	-	-	(61)	(61)	(61)
22/23 RES SAV 09	Procurement team changes in Sustainable Communities	-	(53)	-	-	-	(53)	(53)	(53)
Res Sav 40	Further ICT Savings (Change to Previous RES SAV 40)	-	(20)	-	-	-	(20)	(20)	(20)

		<----- Incremental Changes ----->				<----- Cumulative Changes ----->			
		2021/22	2022/23	2023/24	2024/25	2021/22	2022/23	2023/24	2024/25
		(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
22/23 RES SAV 05	Discretionary Charitable Business Rate Relief	-	-	(114)	-	-	-	(114)	(114)
22/23 RES SAV 19	Restructure technical support & development teams	-	-	(30)	(30)	-	-	(30)	(60)
22/23 RES SAV 07	Finance staffing review	-	-	(125)	(125)	-	-	(125)	(250)
22/23 RES SAV 04	Savings from Review and Re-Tendering the Insurance Contract	-	(100)	-	-	-	(100)	(100)	(100)
22/23 RES SAV 03	Mid-Triennial Review of Pension Contributions - subject to the outcome of consideration by Pensions Committee	(3,400)	640	-	-	(3,400)	(2,760)	(2,760)	(2,760)
	<b>Resources Savings</b>	<b>(3,400)</b>	<b>(1,225)</b>	<b>(1,378)</b>	<b>(885)</b>	<b>(3,400)</b>	<b>(4,625)</b>	<b>(6,003)</b>	<b>(6,888)</b>
22/23 RES GRO 10	Ongoing PPE Costs	-	325	-	-	-	325	325	325
22/23 RES GRO 03	Insurance Fund Growth	-	-	-	400	-	-	-	400
	<b>Resources Growth</b>	<b>-</b>	<b>325</b>	<b>-</b>	<b>400</b>	<b>-</b>	<b>325</b>	<b>325</b>	<b>725</b>
	<b>Resources Net Proposals</b>	<b>(3,400)</b>	<b>(900)</b>	<b>(1,378)</b>	<b>(485)</b>	<b>(3,400)</b>	<b>(4,300)</b>	<b>(5,678)</b>	<b>(6,163)</b>
<b>Corporate &amp; Cross-Cutting</b>									
22/23 COR SAV 01	Changes to Council Tax Base	-	(2,721)	(97)	(3,062)	-	(2,721)	(2,818)	(5,880)
22/23 COR SAV 02	Social Care Precept - 1% Council Tax increase	-	(1,981)	(2,040)	(2,102)	-	(1,981)	(4,021)	(6,123)
22/23 COR SAV 03	1.99% Council Tax increase	-	(141)	(2,348)	(6,910)	-	(141)	(2,489)	(9,399)
22/23 COR SAV 04	Collection Fund Surplus/Deficit - Council Tax	-	(2,940)	2,940	(2,504)	-	(2,940)	-	(2,504)
22/23 COR SAV 10	Change in Levies from Other Bodies	-	(155)	4	29	-	(155)	(151)	(122)
22/23 COR SAV 11	New Homes Bonus	-	(2,427)	(1,768)	-	-	(2,427)	(4,195)	(4,195)
22/23 COR SAV 12	Interest Receivable / Payable	-	(4,414)	593	593	-	(4,414)	(3,821)	(3,228)
22/23 COR SAV 13	Review of all contracts and commissioned services	-	(2,072)	-	-	-	(2,072)	(2,072)	(2,072)
22/23 COR SAV 06	Streamline corporate business processes	-	-	(250)	(250)	-	-	(250)	(500)
	Negotiate changes to the balance of funding between health and social care	-	(11,000)	-	-	-	(11,000)	(11,000)	(11,000)
	Increase in fees and charges	-	(1,000)	(1,000)	(1,000)	-	(1,000)	(2,000)	(3,000)
22/23 COR SAV 05	Local Council Tax Reduction Scheme Support review - subject to final decision making post-consultation	-	(5,700)	-	-	-	(5,700)	(5,700)	(5,700)
	<b>Total Corporate / Cross-Cutting Savings Proposals</b>	<b>-</b>	<b>(34,551)</b>	<b>(3,966)</b>	<b>(15,206)</b>	<b>-</b>	<b>(34,551)</b>	<b>(38,517)</b>	<b>(53,723)</b>
22/23 COR GRO 01	Minimum Revenue Provision reprofiling	-	2,543	(430)	468	-	2,543	2,113	2,581
22/23 COR GRO 02	Corporate Contract Inflation Provision	-	4,333	2,610	7,877	-	4,333	6,943	14,820
22/23 COR GRO 03	Corporate Pay Award Provision	-	(239)	(243)	3,720	-	(239)	(482)	3,238

		<----- Incremental Changes ----->				<----- Cumulative Changes ----->			
		2021/22	2022/23	2023/24	2024/25	2021/22	2022/23	2023/24	2024/25
		(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
22/23 CFE GRO 01	Increases in Unaccompanied Asylum Seeking Children leaving care	-	3,454	302	(578)	-	3,454	3,756	3,178
22/23 COR GRO 05	Increase in Employers National Insurance contributions	-	1,630	-	-	-	1,630	1,630	1,630
<b>Total Corporate / Cross-Cutting Growth Proposals</b>		-	11,721	2,239	11,487	-	11,721	13,960	25,447
<b>Total Corporate / Cross-Cutting Net Proposals</b>		-	(22,830)	(1,727)	(3,719)	-	(22,830)	(24,557)	(28,276)
22/23 COR GRO 04		-	-	-	5,000	-	-	-	5,000
<b>Assumed Capitalisation Directions</b>		-	-	-	5,000	-	-	-	5,000

**SUMMARY**

Total - All Savings	(6,093)	(51,239)	(10,840)	(17,926)	(6,093)	(57,332)	(68,172)	(86,098)
Total - All Growth	51	23,233	2,195	11,787	51	23,284	25,479	37,266
Total Capitalisation Direction	-	-	-	5,000	-	-	-	5,000
Total - All Net	(6,042)	(28,006)	(8,645)	(1,139)	(6,042)	(34,048)	(42,693)	(43,832)
Delivery Risk & Contingency	1,219	7,602	2,168	3,585	1,219	8,821	10,989	14,574
Net Proposals Incl Delivery Risk & Contingency	(4,823)	(20,404)	(6,477)	2,446	(4,823)	(25,227)	(31,704)	(29,258)
Original Approved Gap (March 2021)	-	38,378	22,133	-	-	38,378	60,511	60,511
<b>Total Remaining Gap</b>	(4,823)	17,974	15,656	2,446	(4,823)	13,151	28,807	31,253

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# Agenda Item 7

<b>REPORT TO:</b>	Scrutiny & Overview Committee 7 December 2021
<b>SUBJECT:</b>	Scrutiny & Overview Committee Work Programme 2021-22
<b>LEAD OFFICER:</b>	Simon Trevaskis – Senior Democratic Services & Governance Officer – Scrutiny
<b>PERSON LEADING AT SCRUTINY COMMITTEE MEETING:</b>	Councillor Sean Fitzsimons – Chair of the Scrutiny & Overview Committee
<b>PUBLIC/EXEMPT:</b>	Public

<b>ORIGIN OF ITEM:</b>	The Scrutiny & Overview Committee receives an update on its work programme at each of its meeting
<b>BRIEF FOR THE COMMITTEE:</b>	The Scrutiny & Overview Committee is asked to:- <ol style="list-style-type: none"><li>1. Note the current position of its Work Programme for 2021-22,</li><li>2. To consider whether there are any other items that should be added to the work programme.</li></ol>

## 1. SCRUTINY & OVERVIEW COMMITTEE WORK PROGRAMME 2021-22

- 1.1. The purpose of this report is to set out the work programme for 2021 – 2022 for the Scrutiny & Overview Committee. A copy of the work programme as it currently stands can be found at Appendix A to this report.
- 1.2. Although the work programme has been populated as far as possible, it is recognised that given the challenges facing the Council, the work programme needs to remain flexible enough to respond to emerging priorities during the year.
- 1.3. At its meeting on 15 June 2021, the Committee agreed that the work programme process will be overseen by a Reference Group of scrutiny members who will meet on a monthly basis to review all available data in order to identify items that should be prioritised for inclusion in the work programme for both the Committee and its three Sub-Committees (Children & Young People, Health & Social Care and Streets, Environment & Homes).
- 1.4. The Committee also agreed a number of workstream priorities for the year ahead for itself and the three sub-committees. For the Scrutiny & Overview Committee there are two main priorities, which are:-
  - W1: Corporate recovery, including corporate oversight by exception.
  - W 2: Understanding and acting on risks. To initially focus substantively on BBB and the council's reserves position
- 1.5. Although the Reference Group will be responsible for identifying emerging issues for scrutiny, the Scrutiny & Overview Committee will still have oversight of its work programme and this report will be presented at each Committee

meeting to provide an update on the latest position of the work programme and allow for consideration to be given to any additions or amendments.

- 1.6. It is recognised that given the challenges facing the Council, it will not be possible for scrutiny to accomplish everything it needs to within the committee setting. As such it is likely that informal briefings and visits will need to be arranged during the year, to ensure that the Committee is as informed as possible when scrutinising an item at one of its meetings. For transparency, this report will also confirm any briefings or visits undertaken by the Committee.
- 1.7. Since the last meeting held on 19 October 2021 the Committee has had two training sessions with the Centre for Governance and Scrutiny to prepare for the Budget Scrutiny Process. These were held on 20 October and 22 November 2021.
- 1.8. On 23 November the Committee also received a briefing from officers on the budget setting process in preparation for Budget Scrutiny. This session provided the Committee with an overview of the key principles underlying the Budget and Medium Term Financial Strategy, savings targets and the approach taken to identifying proposals.

## **2. Conclusions**

- 2.1. The Scrutiny & Overview Committee is asked to note the current position of its Work Programme for 2021-22 set out in Appendix A.
- 2.2. The Committee is asked to consider whether there are any other items that should be added to its work programme.

**CONTACT OFFICER:** Simon Trevaskis – Senior Democratic Services & Governance Officer - Scrutiny

### **APPENDICES TO THIS REPORT**

Appendix A – Scrutiny & Overview Committee Work Programme

**Scrutiny & Overview Committee****Chair:** Sean Fitzsimons**Committee Members:** Leila Ben-Hassel (Deputy-Chair), Robert Ward (Vice-Chair), Shafi Khan, Oni Oviri, Joy Prince

## Workstream Priorities

W 1: Corporate recovery, including corporate oversight by exception.

W 2: Understanding and acting on risks. To initially focus substantively on BBB and the council's reserves position

<b>Meeting Date</b>	<b>Agenda Items</b>	<b>Officer</b>
<b>15 June 2021</b>	<b>Update from the Leader of the Council</b>	
	<b>Croydon Renewal and Improvement Plan – Performance Reporting Framework &amp; Measures</b>	<b>Caroline Bruce</b>
	<b>RIPI – Quarter 1 Update</b>	<b>Henry Butt</b>
	<b>Scrutiny Work Programme 2021-22</b>	<b>Simon Trevaskis</b>
	<b>Scrutiny Annual Report</b>	<b>Simon Trevaskis</b>
<b>6 July 2021</b>	<b>Brick by Brick</b>	<b>Chris Buss</b>
	<b>Scrutiny Work Programme 2021-22</b>	<b>Simon Trevaskis</b>
	<b>Cabinet Response to Scrutiny Recommendations</b>	<b>Simon Trevaskis</b>
<b>17 August 2021</b>	<b>CALL-IN: Novation of building works and profession services contracts from Brick by Brick for Fairfield Halls</b>	<b>Sarah Hayward</b>
<b>7 September 2021</b>	<b>Community Safety Strategy</b>	<b>Christopher Rowney</b>
	<b>RIPI – Quarter 2 Update</b>	<b>Henry Butt</b>
	<b>Finance Monitoring Update</b>	<b>Richard Ennis</b>

<b>19 October 2021</b>	<b>Budget &amp; Medium Term Financial Strategy - Risks</b>	<b>Richard Ennis</b>
	<b>Annual Complaints Report</b>	<b>Kim Hyland</b>
<b>7 December 2021</b>	<b>Budget Scrutiny</b>	<b>Richard Ennis</b>
	<b>Finance Performance Report Month 7</b>	<b>Richard Ennis</b>
<b>8 February 2022</b>	<b>Budget Scrutiny</b>	<b>Richard Ennis</b>
<b>22 February 2022</b>	It is anticipated that this meeting will focus on the priority areas in workstream 1 & 2, however the agenda will be confirmed as soon as possible before the date to ensure that there is capacity for the Committee to consider any other emerging urgent issues.	
<b>29 March 2022</b>	It is anticipated that this meeting will focus on the priority areas in workstream 1 & 2, however the agenda will be confirmed as soon as possible before the date to ensure that there is capacity for the Committee to consider any other emerging urgent issues.	