



**CABINET
AGENDA**
for the meeting
on
22 February 2023 at
6.30 pm

To: Croydon Cabinet Members:

Mayor Jason Perry
Councillor Jeet Bains
Councillor Jason Cummings
Councillor Maria Gatland
Councillor Lynne Hale
Councillor Yvette Hopley
Councillor Ola Kolade
Councillor Scott Roche
Councillor Andy Stranack

Invited participants: All other Members of the Council

A meeting of the **CABINET** which you are hereby summoned to attend, will be held on **Wednesday, 22 February 2023** at **6.30 pm** in **Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX**

Stephen Lawrence-Orumwense
Director of Legal and Monitoring Officer
London Borough of Croydon
Bernard Weatherill House
8 Mint Walk, Croydon CR0 1EA

Democratic Services
democratic.services@croydon.gov.uk
www.croydon.gov.uk/meetings
14 February 2023

Members of the public are welcome to attend this meeting. If you require any assistance, please contact officer as detailed above.

The meeting webcast can be viewed here: <http://www.croydon.public-i.tv/core/portal/home>

The agenda papers are available on the Council website
www.croydon.gov.uk/meetings

AGENDA – PART A

1. **Apologies for Absence**

To receive any apologies for absence from Members.

2. **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), an 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 2, to be recorded in the minutes.

3. **Minutes of the Previous Meeting**

To approve as a correct record, the minutes of the previous meeting of the Cabinet, held on 25 January 2023. **(To Follow)**

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. Scrutiny Stage 2 (Pages 9 - 18)

The attached report invites the Cabinet to approve the full response reports arising from the Stage 1 reports presented to the Cabinet meeting held on 7 December 2022, including:

- Action plans for the implementation of agreed recommendations, or
- Reasons for rejecting the recommendations

and that these be reported to the Scrutiny and Overview Committee or relevant Sub-Committees.

6. Period 8 Financial Performance Report (Pages 19 - 60)

The attached report provides the Council's forecast outturn as at Month 8 (November 2022) for the General Fund (GF), Housing Revenue Account (HRA) and the Capital Programme (CP). The report forms part of the Council's financial management process for publicly reporting financial performance monthly.

7. Opening the Books - Reports from Worth Technical Accounting Solutions (Pages 61 - 150)

The Opening the Books project was launched by the Mayor in July 2022 to improve the Council's understanding of current financial risks and to work towards a sustainable financial future. The project has had a number of facets including the commissioning of a series of reviews by Worth Technical Accounting Solutions. The resulting reports are presented here to Cabinet with the recommendation that the Audit and Governance Committee be asked to debate them at a future meeting, scheduled for 3 March 2023. The reports are being shared in full under the Mayor's openness and transparency ethos with nothing hidden. The recommendations made by Worth TAS are accepted in their entirety by the Council and are set out in the action plan in Appendix F. It is recommended that progress against these recommendations is monitored by the Audit and Governance Committee through to completion.

8. Revenue Budget and Council Tax Levels 2023/24 (Pages 151 - 254)

9. Review of Council Tax Support Scheme 2023-24 (Pages 255 - 336)

The purpose of this report is to seek approval to make changes to Croydon's Council Tax Reduction (Support) Scheme (CTS) which will take effect from 1 April 2023.

10. Fees and Charges (Pages 337 - 468)

The attached report requests approval by Cabinet to changes in fees and charges that are made in respect of supplies and services supplied by the Council to the extent that these fall within the authority of the Executive to determine. Cabinet should be aware that many regulatory functions have statutory fees which are set or are required to be considered by the relevant regulatory committees as they are precluded from being executive functions.

11. Capital Programme and Capital Strategy 2022/23 to 2026/27 (Pages 469 - 526)

The attached report sets out the updated capital programme for 2023/24-2026/27 for the Council's General Fund with a forecast of resources available over that period. A specific update of the 2022/23 programme including the forecast and variance as at Period 8 is also provided.

12. Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2023/24 (Pages 527 - 568)

The attached report seeks the agreement of the Executive Mayor in Cabinet to the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2023/24.

13. HRA Business Plan and Budget Update Report - January 2023 (Pages 569 - 630)

The attached report presents the latest position for the 30 Year Business Plan for the Housing Revenue Account with consideration to both capital and revenue investments required for the management and maintenance of Croydon Council's housing stock.

14. Information, Advice and Guidance Contract (Pages 631 - 648)

The attached report seeks approval to vary and extend an existing contract that is currently in place to provide information, advice & guidance to residents within Croydon for an additional period of up to 12 months from 1 April 2023 to 31 March 2024.

15. Street Lighting Policy (Pages 649 - 680)

The attached report describes the street lighting trial completed by the Council and summarises both the environmental and financial benefits that will be realised through energy saving annually by adopting the trial as the standard light levels for the borough.

16. Local Planning Authority Service Transformation (Pages 681 - 770)

The attached report sets out the draft transformation programme for the LPA with the aim of delivering sustained improvement to performance and customer experience, whilst responding to feedback from residents and applicants and delivering the future spatial development needs of the borough.

17. Annual Delivering the Croydon Growth Zone Report 2023-24 (Pages 771 - 786)

The attached annual report sets out proposals for the Growth Zone budget and programme for 2023/24. It reflects the Executive Mayor's Business Plan 2022 – 2026, the need to support the approach to recovery and renewal of Croydon town centre following the devastating socio-economic impact of the coronavirus pandemic, challenging macro-economic conditions and the implications for development activity. The Growth Zone income is ring fenced by the Statutory Instrument and provides an additional funding source. Therefore, positively contributing the Council's financial position.

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LONDON BOROUGH OF CROYDON

REPORT:	CABINET	
DATE	22 February 2023	
REPORT TITLE:	Scrutiny Stage 2 Responses to Recommendations arising from: Scrutiny Homes Sub-Committee on 5 December 2023	
LEAD OFFICER:	Stephen Lawrence-Orumwense (Monitoring Officer) Adrian May, Interim Head of Democratic Services T: 020 8726 6000 X 62529. Email: <u>adrian.may@croydon.gov.uk</u>	
LEAD MEMBER:	All	
AUTHORITY TO TAKE DECISION:	The Constitution requires that in accepting a recommendation, with or without amendment, from a Scrutiny and Overview Committee or Sub-Committee, the Cabinet shall agree an action plan for the implementation of the agreed recommendations and shall delegate responsibility to an identified officer to report back to the Scrutiny and Overview Committee or Sub-Committee, within a specified period, on progress in implementing the action plan.	
KEY DECISION?	No	N/A
CONTAINS EXEMPT INFORMATION?	No	Public
WARDS AFFECTED:	All	

1 SUMMARY OF REPORT

1.1 This report invites the Cabinet to approve the full response reports arising from the Stage 1 reports presented to the Cabinet meeting held on 7 December 2022, including:

- Action plans for the implementation of agreed recommendations, or
- Reasons for rejecting the recommendations

and that these be reported to the Scrutiny and Overview Committee or relevant Sub-Committees.

- 1.2 The Constitution requires that in accepting a recommendation, with or without amendment, from a Scrutiny and Overview Committee or Sub-Committee, the Cabinet shall agree an action plan for the implementation of the agreed recommendations and shall delegate responsibility to an identified officer to report back to the Scrutiny and Overview Committee or Sub-Committee, within a specified period, on progress in implementing the action plan.

2 RECOMMENDATIONS

The Executive Mayor, in Cabinet, has the power to make the decisions set out in the recommendation below:

- 2.1 To approve the response and action plans attached to this report at Appendix A and that these be reported to the Scrutiny and Overview Committee or relevant Sub-Committees.

3 SCRUTINY RECOMMENDATIONS

- 3.1 The Scrutiny recommendations are contained in the schedule in the appendix to this report.
- 3.2 The detailed responses, including reasons for rejected recommendations and action plans for the implementation of agreed recommendations are also contained in the appendix.

4 CONSULTATION

- 4.1 The recommendations have been developed from the deliberations of either the Scrutiny and Overview Committee or one of its Sub-Committees.
- 4.2 The recommendations in the appendix to this report may involve further consultation and as each recommendation is developed, these implications will be explored and approved.

5 PRE-DECISION SCRUTINY

- 5.1 The recommendations in the appendix to this report are the result of Pre-Decision Scrutiny.

6 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 6.1 The recommendations in this report may have a financial implication and as each recommendation is developed the financial implication will be explored and approved.

7 LEGAL CONSIDERATIONS

- 7.1 The Constitution requires that Cabinet both receives recommendations from Scrutiny Committees and responds to the recommendations within two months of their receipt.

Approved by: Sandra Herbert, Head of Litigation & Corporate Law, on behalf of the Director of Legal Services and Monitoring Officer.

8 HUMAN RESOURCES IMPACT

- 8.1 The recommendations in the appendix to this report may have a Human Resources impact and as each recommendation is developed these implications will be explored and approved.

9 EQUALITIES IMPACT

- 9.1 The recommendations in the appendix to this report may have an Equalities impact and as each recommendation is developed, these implications will be explored and approved.

10 ENVIRONMENTAL IMPACT

- 10.1 The recommendations in the appendix to this report may have an Environmental impact and as each recommendation is developed, these implications will be explored and approved.

11 CRIME AND DISORDER REDUCTION IMPACT

- 11.1 The recommendations in the appendix to this report may have a Crime and Disorder reduction impact and as each recommendation is developed, these implications will be explored and approved.

12 REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 12.1 These are contained in the appendix to this report

13 OPTIONS CONSIDERED AND REJECTED

13.1 These are contained in the appendix to this report.

14 DATA PROTECTION IMPLICATIONS

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

The recommendations in the appendix to this report may involve the processing of 'personal data' and as each recommendation is developed, these implications will be explored and approved.

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

NO

The recommendations in the appendix to this report may require a DPIA and as each recommendation is developed, these implications will be explored and a DPIA carried out where necessary.

15 APPENDICES

15.1 Appendix 1: Scrutiny Stage 2 Responses - Pre-Decision Scrutiny: Updating the Homelessness and Rough Sleeping Strategy

Appendix 2: Scrutiny Stage 2 Responses - Appendix 2 – Pre-Decision Scrutiny: Distribution of the Household Support Fund Grant

16 BACKGROUND DOCUMENTS

16.1 Reports to Scrutiny Homes Sub-Committee on 5 December 2022.
[https://democracy.croydon.gov.uk/ieListDocuments.aspx?CId=485&MId=3443&\\$LO\\$=1](https://democracy.croydon.gov.uk/ieListDocuments.aspx?CId=485&MId=3443&LO=1)

Appendix 1 – Pre-Decision Scrutiny: Updating the Homelessness and Rough Sleeping Strategy

Considered by Homes Sub-Committee on 6 December 2022

REC No.	SCRUTINY RECOMMENDATION	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPTED / PARTIALLY ACCEPTED / REJECTED (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (ie Action Plan)	DATE OF SCRUTINY MEETING TO REPORT BACK
1.	The Sub-Committee recommended that the Action Plan is updated to show overall timeline of the action plan, key milestones, deliverables for each workstream and that interdependencies and associated risks be highlighted and included in the action plan.	Councillor Lynne Hale Cabinet Member for Homes	PARTIALLY ACCEPTED The Action Plan detailed in the report identifies preliminary actions and objectives which will form the basis of a revised Homelessness & Rough Sleeping Strategy 2024-2027. The recommendation is partially accepted as the changes requested will be made and presented in the Homelessness & Rough Sleeping Strategy 2024-2027 not the Action Plan in the report. Work to develop the revised Strategy will begin in January 2023.	Susmita Sen, Corporate Director of Housing	Recruitment of Homelessness & Rough Sleeping Strategy lead has concluded.	Work to develop the revised Strategy began in January 2023. Strategy implementation from 2024/2025.	6 th February Homes Scrutiny Sub-Committee meeting
2.	The Sub-Committee recommended that the Action Plan is updated to show that the Occupancy Checks workstream covered both the remit of ensuring the accommodation is occupied by homeless households placed by the Council to meet housing duty and of monitoring how long new clients were staying in Temporary or Emergency accommodation.	Councillor Lynne Hale Cabinet Member for Homes	PARTIALLY ACCEPTED The recommendation is partially accepted as the changes requested will be made and presented in the Homelessness & Rough Sleeping Strategy 2024-2027 not the Action Plan in the report. The Occupancy Check project will ensure that the accommodation is occupied by homeless households. The monitoring of length-of-stay in emergency and temporary accommodation is dependent upon the implementation of NEC Housing. The NEC Housing go-live date is May 2023.	Susmita Sen, Corporate Director of Housing	Recruitment of Homelessness & Rough Sleeping Strategy lead has concluded. Occupancy check project expected to deliver £700,000 savings as part of the MTFS for 2023/2024 and 2024/2025 Financial implications are considered through the governance of the NEC	Work to develop the Homelessness & Rough Sleeping Strategy began in January 2023. Occupancy check recruitment process is currently underway. Occupancy Check project due to begin in February 2023. NEC Housing go-live in May 2023.	6 th February Homes Scrutiny Sub-Committee meeting

REC No.	SCRUTINY RECOMMENDATION	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPTED / PARTIALLY ACCEPTED / REJECTED (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (ie Action Plan)	DATE OF SCRUTINY MEETING TO REPORT BACK
					Housing project		
3.	The Sub-Committee recommended that Occupancy Checks proactively looked to see that accommodation was still meeting the needs of clients that had been placed there and that this was supported by appropriate staff training to empower them to anticipate and identify changing needs (e.g., pregnancies/overcrowding, disability)	Councillor Lynne Hale Cabinet Member for Homes	ACCEPTED Part of the Occupancy Checks will include an assessment of whether the accommodation meets the household's needs. Needs will be captured and updated on our systems. Welfare will be included in occupancy checks with suitable guidance provided to staff.	Susmita Sen, Corporate Director of Housing	Occupancy check project expected to deliver £700,000 savings as part of the MTFS for 2023/2024 and 2024/2025.	Recruitment process is currently underway. Occupancy check project due to begin in February 2023.	6 th February Homes Scrutiny Sub-Committee meeting
4.	The Sub-Committee recommended that suitable policy or guidance is in place once Occupancy Checks started, to ensure those who had left accommodation were not penalised if they had done so for legitimate reasons.	Councillor Lynne Hale Cabinet Member for Homes	ACCEPTED Suitable guidance will be in place for staff carrying out the occupancy checks to ensure that the Council follows due legal homelessness process.	Susmita Sen, Corporate Director of Housing	Occupancy check project expected to deliver £700,000 savings as part of the MTFS for 2023/2024 and 2024/2025.	Recruitment process is currently underway. Occupancy check project due to begin in February 2023	6 th February Homes Scrutiny Sub-Committee meeting
5.	The Sub-Committee recommended that the Executive Mayor write to the Department for Levelling Up, Housing and Communities to lobby for additional homelessness funding for Croydon, recognising the homelessness situation is acute in Croydon on a par with inner London boroughs.	Councillor Lynne Hale Cabinet Member for Homes	PARTIALLY ACCEPTED Since the Sub-Committee met on 6 th December, DLUHC has confirmed that LBC's 2023/2024 allocation of the Homelessness Prevention Grant has not been reduced as expected following DLUHC's earlier consultation indicating that LBC was likely to receive a reduced allocation in 2023/2024. In addition, LBC also received a top-up allocation of the Homelessness Prevention Grant in December 2022 making additional resources available. Whilst the principle of continuing to lobby for further support for homelessness is accepted	Susmita Sen, Corporate Director of Housing	None	None	6 th February Homes Scrutiny Sub-Committee meeting

REC No.	SCRUTINY RECOMMENDATION	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPTED / PARTIALLY ACCEPTED / REJECTED (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (ie Action Plan)	DATE OF SCRUTINY MEETING TO REPORT BACK
			and we are always seeking increased funding opportunities, given the new funding confirmed last month, the Mayor does not view that requesting further additional funding at this point would be appropriate.				

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Appendix 2 – Pre-Decision Scrutiny: Distribution of the Household Support Fund Grant

Considered by Homes Sub-Committee on 6 December 2022

REC No.	SCRUTINY RECOMMENDATION	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPTED / PARTIALLY ACCEPTED / REJECTED (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (i.e., Action Plan)	DATE OF SCRUTINY MEETING TO REPORT BACK
1.	Members recommended that publicity be clear on the criteria and exceptions relating to the distribution of the Discretionary part of the fund and to consider using social media advertising (including Facebook paid ads) to proactively publicise the Fund. It was further recommended that all councillors were provided with the information in a timely manner so they can promote through community networks and other social media channels incl. Next Door.	Councillor Lynne Hale Cabinet Member for Homes	<p>ACCEPTED</p> <p>The Household Support Fund went live on 20th December with the criteria and exceptions relating to the discretionary part of the fund made clear on the <u>website</u>. Both Members and VCS partners were provided with Household Support Fund information on 21st December. The Housing directorate are currently progressing the use of social media to advertise the Household Support Fund.</p>	Susmita Sen, Corporate Director of Housing	None	<p>Household Support Fund go-live on 20th December 2022.</p> <p>Information provided to Members on 21st December 2022.</p> <p>Use of social media to promote the Household Support Fund will be completed ahead of the February Homes Scrutiny Sub-Committee meeting.</p>	6 th February Homes Scrutiny Sub-Committee meeting.
2.	The Sub-Committee recommended that a provision for emergency situations be investigated for the discretionary element of the Fund. This could be in the form of faster processing of the grant (days instead of a two week turnaround) and/or vouchers. (Chair and Vice Chair to be updated on feasibility before the Christmas break 2022)	Councillor Lynne Hale Cabinet Member for Homes	<p>ACCEPTED</p> <p>Provision for emergency situations included as part of Household Support Fund was included in the 20th December go-live. Provision of funds for food and emergency fuel top ups are provided to residents within 24 and 48 hours.</p>	Susmita Sen, Corporate Director of Housing	None	<p>Household Support Fund go-live on 20th December 2022.</p> <p>Information provided to Members on 21st December 2022.</p>	6 th February Homes Scrutiny Sub-Committee meeting.

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Agenda Item 6

REPORT:	Cabinet
DATE OF DECISION	22 February 2023
REPORT TITLE:	Period 8 Financial Performance Report
CORPORATE DIRECTOR / DIRECTOR:	Jane West, Corporate Director of Resources (Section 151) jane.west@croydon.gov.uk 020 8726 6000 Ext 27320
LEAD OFFICER:	Jane West, Corporate Director of Resources
LEAD MEMBER:	Councillor Jason Cummings Cabinet Member for Finance
KEY DECISION?	NO. The recommendations set out below are not executive decisions and therefore are not key decisions.
CONTAINS EXEMPT INFORMATION?	No
WARDS AFFECTED:	All
SUMMARY OF REPORT: <p>This report provides the Council's forecast outturn as at Month 8 (November 2022) for the General Fund (GF), Housing Revenue Account (HRA) and the Capital Programme (CP). The report forms part of the Council's financial management process for publicly reporting financial performance monthly.</p>	

FINANCIAL IMPACT

	Forecast Variance Month 8	Forecast Variance Month 7	Movement
	£m	£m	£m
General Fund over/(underspend)	0.0	0.0	0

The General Fund forecast continues to show a balanced budget. This is after all pay and contract inflation provisions have been allocated and no contribution to reserves. The improved financial position in services allows for an increased inflation provision to be held centrally as a hedge against pressures arising for the remainder of the financial year.

This report sets out further risks and opportunities. This indicates a net risk of **£2.6m** (risks **£8.3m** and opportunities of **£5.7m**).

	Forecast Variance Month 8	Forecast Variance Month 7	Movement
	£m	£m	£m
Housing Revenue Account over/(underspend)	4.9	4.6	0.3

The Housing Revenue Account is forecasting a **£4.9m** overspend against budget at the end of the year. The main pressures remain utility inflation, increases in legal disrepair costs and void rents.

	Revised Budget 2022/2023	Actual to Date as at 30/11/22	Forecast for year end 2022/2023	Forecast Variance for year end 2022/2023
	£m	£m	£m	£m
Total General Fund and HRA Capital Programme	118.775	29.886	99.546	(19.229)

The Capital Programme has spent **£29.886m** against a **£118.775m** budget at Month 8. The end of year position is forecast to be an underspend of **£19.229m**.

RECOMMENDATIONS

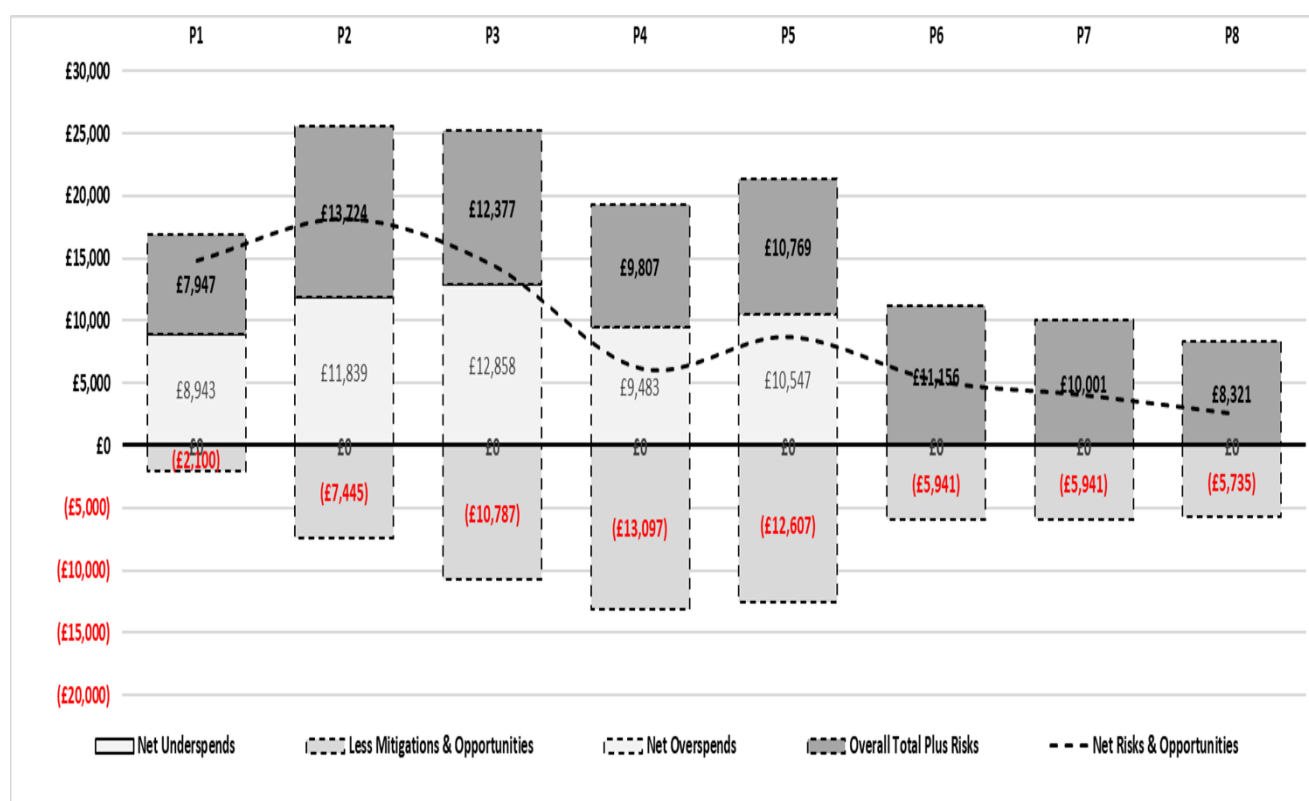
The Executive Mayor, in Cabinet, is recommended to:

- 1.1 Note the General Fund revenue budget outturn is forecast to be balanced at Month 8. Service directorates are indicating a £16.865m overspend. This is offset by £0.978m corporate underspend, £4m use of earmarked inflation reserves, £5m use of the general contingency budget and the budgeted £6.9m contribution to General Fund Balances being released.
- 1.2 Note the forecast elimination of the planned contribution to General Fund Reserves of £6.9m for 2022/23.
- 1.3 Note that a further number of risks and compensating opportunities may materialise which would see the forecast change.
- 1.4 Note the actions being taken through the Deficit Recovery plan. Further details are in paragraph 2.15
- 1.5 To approve the progress of the MTFS savings as indicated within Table 4 and detailed in Appendix 3.
- 1.6 Note the Housing Revenue Account (HRA) is projecting an end of year position of a £4.976m overspend, due to inflation, disrepair costs and void rents.
- 1.7 Note the Capital Programme spend to date for the General Fund of £17.534m (against a budget of £68.160m) with a projected forecast underspend of £15.084m for the end of the year.
- 1.8 Note the Housing Revenue Account Capital Programme spend to date of £12.352m (against a budget of £25.165m), with a projected forecast underspend of £4.145m for the end of the year.
- 1.9 Note, the above figures are predicated on forecasts from Month 8 to the year end and therefore could be subject to change as forecasts are made based on the best available information at this time.
- 1.10 Note, the Council continues to operate a Spend Control Panel to ensure that tight financial control and assurance oversight are maintained A new financial management culture is being implemented across the organisation through increased scrutiny, such as the monthly assurance meetings, improved communication and budget manager training from CIPFA.
- 1.11 To approve the virement details in section 7 of this report.

2. EXECUTIVE SUMMARY

- 2.1. The Financial Performance Report (FPR) is presented to each Cabinet meeting, with the exception of Period 1, and provides a detailed breakdown of the Council's financial position and the in-year challenges it faces. It covers the General Fund, Housing Revenue Account and Capital Programme. The Financial Performance Report ensures there is transparency in the financial position, and enables scrutiny by the Executive Mayor, Cabinet, Scrutiny, and the public. It offers reassurance regarding the commitment by Chief Officers to more effective financial management and discipline.
- 2.2. The General Fund revenue forecast outturn for Month 8 shows a balanced position for the third month in a row. There has been an improvement in the departments financial position which is being used to increase the corporate inflation provision, to act as a hedge against further pressures arising in the remainder of the year.
- 2.3. There are a further set of risks and opportunities, which indicate a net risk of £2.6m (risks £8.3m and opportunities of £5.7m). The risks are issues that are not yet sufficiently developed or certain to warrant inclusion in the outturn forecast. Depending on how the risks and opportunities materialise, they may have a further negative impact on the projected outturn forecast. Should all the risks materialise, and none of the mitigations be effective, the Council is forecast to overspend by £8.321m. Key drivers of the projected overspend are non-delivery of savings agreed at Full Council in March 2022 and other new pressures previously not anticipated. However, if none of the risks materialise and all the opportunities are delivered, the Council will underspend by £5.735m. The risks and opportunities are detailed in Appendix 3-6 of the report and summarise in Table 5 by directorate.
- 2.4. The Financial Performance Report for Month 8 begins to cover the issuing of the s114 notice on 22 November 2022. At this stage it is difficult to say by how much the increased spend controls introduced are reflected in the improved departmental financial positions reported. It should be noted that the s114 notice was issued to address the 2023/24 financial forecast.
- 2.5. The chart below illustrates the trend in the monthly monitoring reports for this financial year and shows both the forecast as well as the quantum of risks and opportunities, together with the impact should all risks and opportunities fully materialise (dashed line).

Chart 1 – Monthly financial movements on Monthly Forecast, Risk & Opportunity



- 2.6. Work continues to manage the areas overspending against budget to ensure Council remains within budget.
- 2.7. The Housing Revenue Account is forecasting an overspend of £4.976m (an increase of £0.1390m on the Month 7 forecast).
- 2.8. The Capital Programme for both the General Fund and Housing Revenue Account is reporting a total expenditure to date of £29.886m of which £17.534m is General Fund and £12.352m Housing Revenue Account. The overall capital spend is projected to be £99.546m against a revised budget of £118.775m. This will result in a £19.229m underspend to budget.
- 2.9. The 2022/23 General Fund budget includes the use of a £25m agreed capitalisation direction. This follows the use of a £50m capitalisation direction in 2021/22. The capitalisation direction was approved (minded to) by the Department of Levelling Up, Housing and Communities (DLUHC) in March 2022 subject to regular positive reports from the Improvement and Assurance Panel and the Budget was approved at Full Council on 7th March 2022. It should be noted that capitalisation directions provide one-off support for a financial year and do not resolve the underlying financial pressures that require their use.
- 2.10. This report forms part of the improved reporting framework by ensuring the delivery of the Council's budget is reported monthly and transparently.
- 2.11. The format of this report will continue to evolve and expand as it will be important for the Council to be able to identify the additional pressures that the

global economic crisis is causing inflation and the impact on supplies and services the Council provides.

- 2.12. The Council continues to build on the improvements in financial management that were made over the past year however there is a considerable amount yet to do, which is fully recognised within the organisation.
- 2.13. The Medium-Term Financial Strategy 2023/24 to 2025/26 Update report to Cabinet on 30 November 2022 set out the latest on the Council's financial position. The "Opening the Books" programme initiated by the Executive Mayor has revealed further historic legacy issues, referred to in previous Finance Performance Reports along with mistakes in the budget set for 2022/23, that have undermined the ability of the Council to become financially and operationally sustainable over the current agreed medium term financial strategy. The report set out in detail these issues, the reasons behind the issuing of a Section 114 Notice in relation to balancing the Council's budget from 2023/24 onwards, and the state of negotiations with DLUHC to agree a further package of support.
- 2.14. Over the last financial year, a monthly budget assurance process and independent challenge of expenditure by the Improvement and Assurance Panel took place. This is in addition to Cabinet, and Scrutiny and Overview review. The monthly budget assurance process has been reviewed and strengthened based on the learning from last year. The aim of the officer assurance meetings is to provide the Corporate Director of Resources (Section 151 Officer) and the Chief Executive with an opportunity to scrutinise and challenge the forecast outturn, review risks and opportunities to mitigate, challenge the use of accruals and provisions, ensure savings are delivered and income targets are met. Overall, the meetings ensure the Council is doing all it can to reduce overspends and deliver a balanced budget.

Deficit Recovery Plan

- 2.15. Each Directorate has been asked to identify mitigations and in year cost reductions to ensure that the Council brings its expenditure within budget. Table 1 sets out the latest position on the mitigations put in place. Where the proposals are confirmed, their impact is already included in the projected outturn for the year. Where there is further work to be done to confirm them, they are included in this report as opportunities.

Table 1 – Deficit Recovery Plan

	£m	
Delivery Plans in Forecast		
Duplication of interest costs budget in Resources	2.400	Included within Resources forecast.
Increased Court Costs Income	0.700	Included within Resources forecast.
Council Tax Support Scheme	1.100	Included within Resources forecast.
Reduction in loan non-repayment provision	1.400	The Council plans to release a £1.4m provision previously set aside to support potential risks to commercial loans. The loan is now likely to be repaid in full.
Election Account	0.241	Included within Assistant Chief Executive forecast
Forecast Total	5.840	
Delivery Plans as Opportunities		
Public Health	1,000	Cross directorate reallocations of budgets, detailed in opportunities.
Staff changes	0.100	Included within Resources opportunities
Children's Services Legal Costs	0.285	Included within Children's opportunities
CIL substitution for General Fund expenditure	0.300	Included within SCRER's Opportunities
Delays in the capital programme	0.605	Reduced amount of £605k included within Corporate as opportunities
Opportunities Total	2.190	
Grand Total	8.131	

2.16. Work will continue throughout the financial year to ensure the Deficit Recovery Plan supports the Council's financial position. The macroeconomic climate is causing pressure on the Council particularly from a very tight labour market and significant inflationary pressures. Energy expenditure has increased costs considerably, partly mitigated by the governments Energy Bill Relief Scheme

Reserves

2.17. When the 2022/23 budget was set £6.887m was set aside to add to General Fund Balances. The Month 8 position continues to reflect the full £6.887m contribution to balances being released to balance the budget. The position is set out in Table 2 below:

Table 2 – General Fund Balances

General Fund Balances	Budget 2022/2	Forecast Outturn
	£m	£m
Balance at 1st April 2022	27.5	27.5
Planned Contributions to/(from) Reserves	6.9	0
Balance at 31st March 2023	34.4	27.5

Unresolved Issues

- 2.18. The Council's overall financial position is still subject to a number of unresolved issues. The latest position on these was set out in the 30 November 2022 Cabinet report titled 'Medium Term Financial Strategy 2023/24 to 2025/26 Update'. This report identified that the legacy adjustment required in relation to Croydon Affordable Homes/Croydon Affordable Tenues is likely to be a reduction to reserves of £9m. This is not yet fully resolved and a further adjustment, reducing reserves by a further £61m, may still be necessary. As well as this adjustment, further legacy adjustments have been identified for the 2019/20, 2020/21, 2021/22 and 2022/23 accounts arising from historic accounting errors. These total a reduction to reserves in those years of £74.6m. Many of the legacy issues identified also need to be adjusted in the Medium-Term Financial Strategy on an ongoing basis.

3. COST OF LIVING CONSIDERATIONS

- 3.1. This report focuses on the Council's budget forecast. It highlights that there are a number of inflationary pressures that the Council, like all local authorities, is managing. Inflation is at the highest level for 40 years. This impact goes beyond the Council as the cost of living is affecting all households and businesses.
- 3.2. These macro-economic factors are impacted by international events, and therefore well beyond the control of Croydon Council. Despite the limitations, the Council is seeking to support households wherever possible.
- 3.3. A dedicated cost of living information hub has been established on the Council's website. This provides a single source of information, informing residents of the financial support available and signposting to further support, advice and guidance. This information is continually reviewed, updated and improved.
- 3.4. At a national level, household support has been announced in the form of a revised energy price guarantee, designed to limit the inflation on household energy bills. Households with a domestic energy connection are eligible for a £400 discount this winter. Residents on means-tested benefits will receive a £650 cost of living payment from Government.
- 3.5. The Council provides a wide range of support for residents that may be struggling due to the cost-of-living pressures. These include:
- Discretionary support fund for residents in financial hardship

- Council Tax support – For residents on a low income or in receipt of benefits, Council Tax bills could be reduced by up to 100%
- Benefits calculator, to ensure residents receive all the support they are entitled to
- Energy advice, including heating and money saving options, through our Croydon Healthy Homes service
- Free holiday activity clubs with healthy meals for children
- Croydon Works to help residents into employment or get training to get them in to work and funds the voluntary sector to provide advice and guidance

3.6. The cost-of-living information hub also signposts residents to a range of support provided by other organisations in Croydon, including:

- NHS Healthy start vouchers for families
- Free school meals
- Support from voluntary, community and faith sector organisations
- Support for businesses through the London Business Hub and the British Business Bank
- CroydonPlus credit union offers affordable ways to manage money, including savings accounts and loans

4. DETAILED FINANCIAL POSITION

4.1. The Month 8 financial forecast is largely driven by £14.492m described as the non-delivery of savings, but which is more a reflection of the issues around the accuracy of budgets. Further to this there are £2.373m of departmental pressures offset by a £0.978m corporate underspend, £4.000m use of earmarked reserves, £5.000m use of the general contingency budget and a budgeted £6.887m contribution to General Fund Reserves no longer going ahead.

4.2. The detailed forecast outturn per Directorate for the General Fund is shown below in Table 3.

Table 3 – Month 8 Forecast per Directorate

	Forecast Variance as at Current Month 8	Forecast Variance as at Prior Month 7	Change From Month 8 To 7	Savings Non-Delivery as at Month 8	Other Pressures as at Month 8
	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
Children, Young People and Education	(2,838)	(1,386)	(1,452)	1,090	(3,928)
Adult Social Care and Health	(748)	(1,098)	350	5,314	(6,062)
Housing	2,647	3,517	(870)	1,761	886
Sustainable Communities Regen & Economic Recovery	14,547	14,662	(115)	5,743	8,804
Resources	3,886	5,200	(1,313)	172	3,714
Assistant Chief Executive	(629)	(241)	(388)	412	(1,041)
Departmental Total	16,865	20,654	(3,787)	14,492	2,373
Corporate Items & Funding	(16,865)	(20,654)	3,787	-	(16,865)
Total General Fund	0	(0)	(0)	14,492	(14,492)

- 4.3. Net overspends and underspends within the service budgets are presented as a forecast variance (as per Table 3) and are additionally classified as either non-delivery of agreed in year savings or other pressures which were not foreseen or quantifiable at the time of setting the budget.

Risks and Risk mitigations

- 4.4. The outturn forecast has been reported excluding further potential risks and risk mitigations which are summarised in Table 5 and detailed out in Appendix 5. Risks are split in to MTFS savings risks and other risks. Savings risks relate to savings proposals that were approved at Full Council in March 2022 to deliver a balanced budget. Other risks are risks that have risen from other operational challenges. Risk mitigations are proposals that the services have identified that would mitigate their risks and help bring spend back within budget.

MTFS Savings

- 4.5. Savings are at various stages in their delivery. Savings which are not deliverable are included within the forecast as overspends. Table 4 below provides a summary of progress per directorate on delivery of their savings

targets. Both savings not delivered and those at risk of non-delivery are detailed in Appendix 3 and 4 of this report.

Table 4 – Progress on MTFS Savings

Division	Target Value £'000s	Balance Not Delivered (In Forecast) £'000s	On Track Value £'000s	Delivered Value £'000s	Current Month At Risk Value £'000s	Prior Month At Risk Value £'000s	Change from Prior Month At Risk £'000s
Children, Young People and Education	(9,564)	1,090	7,336	1,077	61	61	0
Adult Social Care and Health	(16,500)	5,314	1,851	8,364	971	971	0
Housing	(2,841)	1,761	682	0	398	398	0
Sustainable Communities Regen & Economic Recovery	(12,396)	5,743	2,969	967	2,718	2,718	0
Resources	(3,029)	172	2,857	0	0	0	0
Assistant Chief Executive	(9,543)	412	8,281	250	600	600	0
TOTAL FOR MTFS	(53,873)	14,492	23,976	10,658	4,748	4,748	0

4.6. Details of the reasons for the variances and movements from the previous month are identified below together with details of risks and opportunities. The detail of each opportunity and risk both those that are quantifiable and non-quantifiable can be seen in detail in appendix 5 and 6 to this report. Table 5 below gives a summary of the risks and opportunities by department.

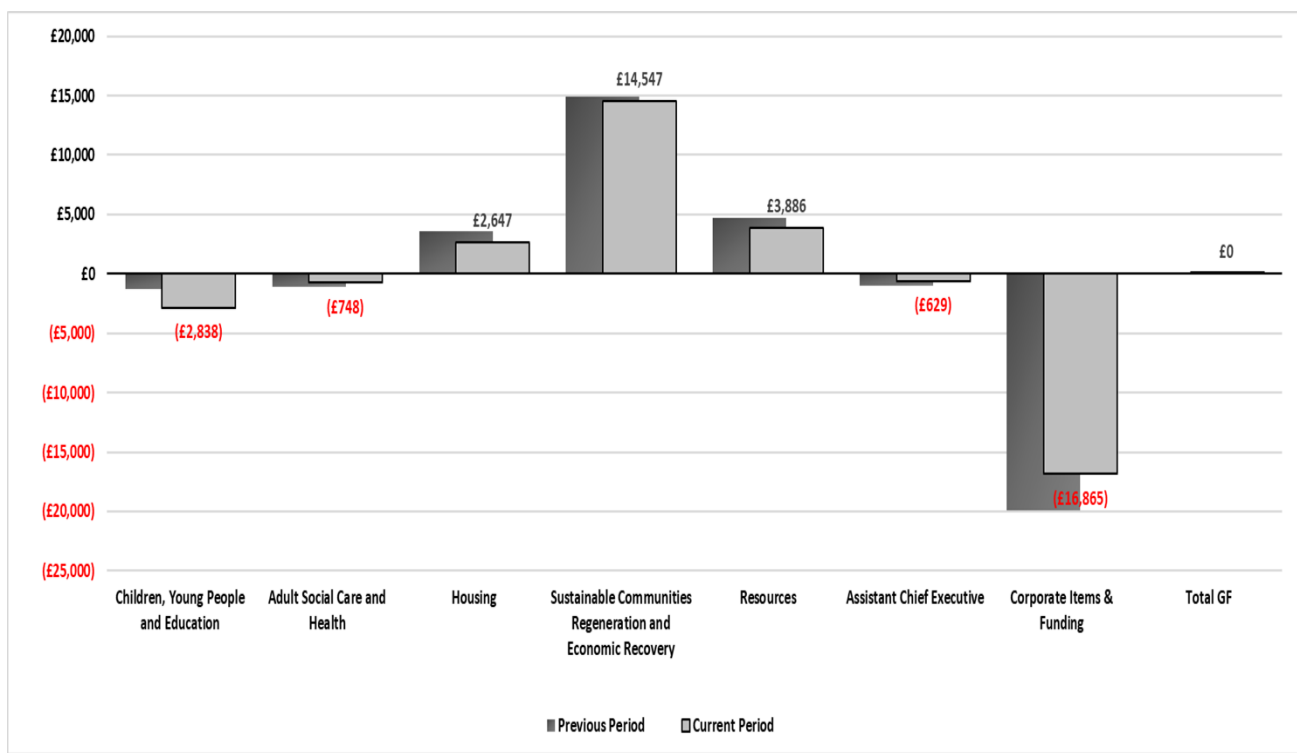
Table 5 – Summary of Risks and Opportunities

	MTFS Savings - At Risk	Other Quantifiable Risks	Quantifiable Opportunities	TOTAL
	£'000	£'000	£'000	£'000
Children, Young People and Education	61	1,698	(3,038)	(1,279)
Adult Social Care and Health	971	-	(380)	591
Housing	398	1,250	-	1,648
Sustainable Communities Regen & Economic Recovery	2,718	625	(1,292)	2,051
Resources	-		(100)	(100)
Assistant Chief Executive	600	-	(320)	280
Corporate Items & Funding	-	-	(605)	(605)
Total Month 8	4,748	3,573	(5,735)	2,586
Total Month 7	4,748	5,602	(4,420)	5,930
Variance	-	(2,029)	(1,315)	(3,345)

DIRECTORATE VARIANCES

4.7. The chart below shows the forecast by Directorate for both the current and previous month:

Chart 2: Forecast per Directorate as at Month 8



4.8 Children, Young People and Education (CYPE)

At Month 8 a **£2.838m underspend** has been forecast alongside £0.061m of MTFS savings at risk of non-delivery together with £1.698m of other risks against £3.038m of opportunities. This is a favourable movement from Month 7 of £1.452m.

The £2.838m underspend is the net position of £0.807m underspends in Quality, Commissioning and Performance Improvement, £2.074m in Children's Social Care and a minor pressure of £0.043m in non-DSG Education services.

The Directorate has also identified £1.698m of other risks which if realised could have a material impact on the CYPE forecast. This relates to cost pressures such as inflationary pressures above and beyond Council budgets.

However, the Directorate has identified potential one-off opportunities this year of £3.038m across Children's Social Care.

4.9 Adult Social Care and Health (ASCH)

At month 8 an **underspend of £0.748m** is forecast which is an adverse movement of £0.350m.

The forecast underspend of £0.748m is a net position, the key items being:

- £3.514m Underspend in staffing which is a favourable increase of £0.552m. However, this is a barrier to achieving savings as staff are focussed on statutory delivery rather than transformation. There is a national shortage of

both social workers and occupational therapists, recruitment to many roles is proving challenging.

- £0.668m Underspend following the detailed of 21/22 accruals for planned care cost. It is usual that care is delivered at a lower level than planned for many reasons including delayed hospital discharge, temporarily staying with family etc. However, this year is slightly higher than normal which is believed to be Covid related.
- £5.314 Non delivery of savings which had previously been shown as at risk. This is being mitigated by managing demand for care and other underspends. £8.364m savings have been delivered and a further £1.851 are on track to be delivered by year end
- £0.310m Overspend in care for 18–25-year-old Transitions clients which is a favourable movement of £0.245m from last month.
- £0.780m Underspend in Directorate comprising the resolution of Public Health funding issue of £0.380m and £0.400m due to delays to planned projects

Unquantified Risks present continued concerns as to impact upon the Directorate budget over the remainder of the financial year. However recently announced Adult Social Care Discharge Fund should mitigate the costs of new demands developing from the very challenging situation with hospital discharges.

In addition, inflation and rising fuel costs will result in significant expenditure for ASC Providers which may result in claims for increased fees and/or financial instability with potential for 'handing back' contracts.

At period 8 there were no quantified risks or opportunities.

4.10. Housing

At Month 8, Housing is forecasting a **£2.647m overspend** when compared to budget. This is largely a result of the ongoing pressure within the Emergency accommodation area (£2.6m overspend) and other pressures within the longer term leased temporary accommodation (£1.2m) against which there are small underspends to offset in some part these pressures within homelessness support.

The forecast is reflective of the rapidly worsening housing market within London within 2022 as private sector landlords are increasing rents or leaving the market; tenants are struggling with the cost-of- living crisis.

There has also been a concerted effort to hold homelessness accommodation costs down across London through partnerships with organisations like Capital Letters and via the agreed Pan-London temporary accommodation rates. The rates can no longer be contained through as demand outweighs available affordable supply. At a recent Pan London meeting, all boroughs confirmed that

they are no longer paying the agreed Pan London rates to ensure they meet their demand challenges. A combination of all these factors has led to an increase in both the average cost of emergency and temporary accommodation that Croydon can secure to meet demand, as well as an increase in the use of nightly paid emergency accommodation to compensate for the loss of some longer-term leased accommodation because of landlords leaving the market.

Pressures are expected to continue into 2023/24. DLUHC have responded to the consultation on the Homelessness Prevention Grant (HPG) funding to be made available for homelessness service and announced allocations for 2023/24 and 2024/25. Croydon will receive a 2% uplift on the current grant for 2023/24 and a 3% uplift for 2024/25. Some new reporting requirements will be attached and there are to be penalties for missing current reporting requirements.

4.11. Sustainable Communities, Regeneration & Economic Recovery (SCRER)

In Month 8, SCRER is forecasting a net **overspend of £14.547m.**

The main area of overspend relates to £13.6m shortfall in parking income, £0.839m relating to streetlighting energy costs and £0.5m SEN transport costs. This position has moved favourably from Month 7 by £0.115m.

There are also £0.625m other risks identified and £2.718m of MTFs savings at risk. However, the service has identified £1.292m of opportunities which will need to be worked through to confirm their achievability.

The service areas that are experiencing these overspends are within the Sustainable Communities division and particularly in the parking teams. Demand for parking services has not returned to pre-pandemic levels and this is affecting all areas of parking which includes, ANPR, pay and display and on-street parking. The division is also expecting delays in obtaining a license from government to run the Selective Licensing scheme which is further adding pressure of £1.580m.

The Council applied to renew its Landlord Licensing scheme in 2021/22 to the Department of Levelling Up, Housing and Communities (DLUHC). The Council budgeted for £1.5m of income that would be achievable from the scheme in this financial year. However, the scheme was rejected by the Secretary of State for DLUHC due to the lack of a Housing Strategy, one of the requirements for the scheme. The development of the Housing Strategy is being progressed but has not yet been completed due to the many other pressures on the Housing Service and the focus on the delivery of the Housing Improvement Plan. It also requires a review of the Council's policy for Landlord Licensing. It is expected that this will not be completed within the next 12 months and therefore for prudence the service is forecasting the non-delivery of the £1.5m income target. Further pressures are experienced within Planning and Sustainable Regeneration Services particularly in relation to Building Control income and income from Planning.

4.12. Resources

At Month 8, there is a **£3.886m overspend** projected which is a favourable movement from Month 7 of £1.314m. This movement primarily relates to the improved position, by £1.346m since Month 7, within Housing Benefits. This is the result of various on-going workstreams carried out as part of the Housing Benefit Transformation Project.

The forecast overspend for the year remains largely related to loss in housing benefit (HB) The predicted £6.339m overspend on HB is due to the difference between the value of HB expenditure and funding received from DWP on support exempt and temporary accommodation. This is offset by a net saving of £1.550m in Estates, Asset Management & Facilities. This relates to an historic budget for interest costs which is already covered within a corporate budget, offset by MTFs savings targets that are unachievable.

Currently there is a predicted overspend of £0.491m in Corporate Finance & Treasury. This relates to higher than budgeted spend on specialist finance work and agency costs pending a restructure of the department. A council wide rebasing of HRA recharges will lead to an increased recharge of £0.200m in year from the Finance Team and 0.£689m for increased insurance premium, insurance claim and anti-fraud costs, currently not shown in the forecast for Resources, but held corporately for P8.

There are no additional savings at risk and no further risks are reported at this point.

4.13. **Assistant Chief Executive**

At Month 8, a **£0.629m underspend** is being projected, which is a favourable movement of £0.388m from Month 7.

A proportion of this movement relates to the corporate virement for contract inflation of £0.210m mostly relating to IT contracts and a reduction the forecast of expenditure within the Learning & Organisational Development budget. Planned staffing reviews and holding of vacancies have achieved further savings across the Directorate.

Work is still being carried out to review fees and charges which were devolved to the service without consideration of demand. Delivery of fees and charges savings of £0.205m will not be met but will be offset by savings in other areas. For 2023/24 the saving will be replaced with a more robust fees and charges forecast for Bereavement and Registrars. Work on fees and charges for the Bereavement and Registrars service will be finalised for Month 9. Some work has been carried out within finance that will need confirming with the service early in the new year. Indicative figures have been passed to Corporate Finance.

The rationalisation of the software applications project has identified £0.450m of mitigations, which have been included within the forecast. Whilst the remaining £0.300m cannot be met, this is being mitigated down by in year

savings. This is not sustainable for 2023/24 onwards. A directive to stand down agency staff for two weeks over the Christmas period will go some way to mitigate the £0.600m saving for agency costs. This is a Council wide saving. Early indications are that this Directorate's proportion of the savings target will be met.

4.14. Corporate Budgets

At Month 8, the corporate position is projecting an **underspend of £16.865m**. The corporate budget holds funding and financing streams such as Council Tax, Business Rates income share and General Revenue Support Grant income. The corporate budget also allocates Council wide risk contingency, inflation growth budgets and budgets to fund corporate debt and interest charges.

The corporate projection is after the release of known inflationary pressures and the release of contingency for the impact of the pay award. It also includes a small contingency for further inflation pressures are likely to impact the Council's budget during the remainder of the year. The current uncommitted balance of the corporate inflation provision will continue to be held as a hedge against further pressures. The corporate projection also reflects underspends against contingency budgets and risk provisions. A provision of £1.400m has been released and relates to risks to a key commercial loan which is now expected to be fully paid back in full.

A one-off £4.0m of reserve drawdown will support the in-year inflationary pressures that the Council is facing. An opportunity has been identified due to the reversal of the 1.25% National insurance increase.

As set out in paragraph 2.17 the Month 8 forecast reflects that there will be no contribution to General Fund balances.

5. Housing Revenue Account (HRA)

- 5.1 The HRA is forecasting a total overspend of £4.976m, which is now expected to be offset entirely by reductions in budgeted recharges from the general fund.

The pressure is made up of £2.085m additional utilities costs related to energy price increases; £1.540m of disrepair and legal costs relating to legally mandated repairs to HRA properties; £0.709m of increased bad debt costs as rent collection has worsened during the cost-of-living crisis; void costs of £0.414m; garage voids of £0.286m.

Increased energy costs have been factored into the 2023/24 budget to ensure this is not an ongoing pressure.

A stock condition survey is scheduled to begin imminently which will provide better data to plan and prioritise refurbishment work programmes required which will begin to address the disrepair issues over the longer term.

A programme is underway to address the issue of void properties which is forecast to have a financial impact on tenant rents, tenants service charges and premises security costs of £0.414m in 2022/23.

A corporate review of debt has included HRA debt and a proposal for a further provision increase of up to £3m over and above the current forecast position may be progressed. Getting the debt position right by writing off uncollectable debt and providing for debt at appropriate levels will mean realistic targets and improved monitoring processes can be set up for debt collection, ultimately benefitting the HRA account.

The review of recharges is almost complete, and the next step will be to ultimately confirm the impact on the 2022/23 accounts as well as the other sets of accounts that remain open. The benefit to the HRA remains estimated as £9m-£10m per annum.

Table 5 – Housing Revenue Account Month 8 forecast

	Current Budget 2022/23	YTD (Apr- Nov)	Previous months Forecast M7 October	Current Month Forecast M8	Movement	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
TOTAL INCOME	(91,240)	(56,727)	(89,661)	(89,655)	6	1,585
Total: Responsive Repairs & Safety	17,950	10,295	19,263	19,297	34	1,347
Total Housing Estates & Improvement (Division)	20,961	11,793	21,945	22,011	66	1,050
Tenancy & Resident Engagement	8,374	3,557	10,936	11,186	250	2,812
Homelessness & Assessments	4,382	1,770	4,237	4,186	(51)	(196)
Service Development service	2,060	426	2,068	2,088	0	28
TOTAL EXPENDITURE	91,240	14,501	94,246	94,631	385	3,391
NET EXPENDITURE	0	(42,227)	4,586	4,976	391	4,976

6. Capital Programme

- 6.1 The General Fund and Housing Revenue Account capital programmes have currently spent **£29.886m** to the end of Month 8. This is against a revised budget of **£118.775m** which is subject to approval as part of this report.
- 6.2 Forecast spend for the year is **£99.546m** against the revised budget resulting in a forecast underspend of **£19.229m**.
- 6.3 Table 6 below summarises the capital spend to date by directorate with further details of individual schemes provided in Appendix 2. Table 7 gives details of how the capital programme is financed.

Table 6 – Capital Programme as at Month 8

General Fund Capital Programme	Revised 2022-23	Actual	Forecast as at Month 8	Variance
	2022/23	2022/23	2022/23	2022/23
	£'000	£'000	£'000	£'000
ADULT SOCIAL CARE AND HEALTH	-	30	30	30
HOUSING	4,392	1,202	3,038	(1,354)
ASSISTANT CHIEF EXECUTIVE	6,965	2,495	7,495	530
CHILDREN, YOUNG PEOPLE AND EDUCATION	6,749	2,428	5,325	(1,424)
SUSTAINABLE COMMUNITIES, REGEN & ECONOMIC RECOVERY	37,137	9,466	26,809	(10,328)
RESOURCES	8,868	1,913	6,330	(2,538)
CORPORATE	4,049	-	4,049	-
SUB TOTAL	68,160	17,534	53,076	(15,084)
Capitalisation Direction	25,000	-	25,000	-
General Fund Total	93,160	17,534	78,076	(15,084)
HOUSING REVENUE ACCOUNT	25,615	12,352	21,470	(4,145)
LBC Capital Programme Total	118,775	29,886	99,546	(19,229)

Table 7 – Capital Programme Financing as at Month 8

	Revised 2022-23 Budget	Forecast as at P8	Variance
	£'000	£'000	£'000
General Fund			
CIL	8,953	8,152	801
s106	550	584	(34)
Grants & Other Contributions	19,485	17,775	6,423
Growth Zone	6,888	0	6,888
HRA Contributions	1,742	0	1,742
Capital Receipts	4,049	4,049	0
Reserves	0	0	0
Borrowing	51,493	47,516	3,977
Total General Fund Financing	93,160	78,076	15,084
HRA			
Grant	1,200	0	1,200
MRR	12,336	12,336	0

	Revised 2022-23 Budget	Forecast as at P8	Variance
	£'000	£'000	£'000
Revenue	0	0	0
Reserves	9,902	9,134	768
Borrowing	2,177	0	2,177
Total HRA Financing	25,615	21,470	4,145
Total GF & HRA Financing	118,775	99,546	19,229

6.4 The Month 8 forecast financing indicates a reduction of £4.0m of borrowing required this financial year for the General Fund and a £2.2m reduction in the borrowing required for the Housing Revenue Account.

7 VIREMENTS

7.1 The table below gives details of virements that require Cabinet approval due to their value exceeding £500,000.

Table 8 – 2022/23 Virements

	£000
Allocation of 2021/22 Pay Award - permanent virement not completed in year	2,954
Increase in National insurance of 1.25%	1,488
Clawback of the 1.25% increase that was reversed	614
Contract inflation virement from corporately held budgets to various departments	16,057
2022/23 Pay Award virement from corporately held budgets to departments	11,512
Transfer of Public Health savings from Children's and Adults into Corporate	780

8 FINANCIAL AND RISK ASSESSMENT IMPLICATIONS

8.1 Finance comments have been provided throughout this report.

8.2 The Council continues to operate with internal spending controls to ensure that tight financial control and assurance oversight are maintained, and a new financial management culture is being implemented across the organisation through increased communication on financial issues and training for budget managers.

8.3 The virements presented for approval are in compliance with section 2.3 of the Financial Regulations, which specifies that inter-departmental virements above £500,000 require approval of the Cabinet.

- 8.4 The Council currently has a General Fund Reserve of £27.50m which serves as a cushion should any overspend materialise by the end of 2022/23. The use of reserves to support the budget is not a permanent solution and reserves must be replenished back to a prudent level in subsequent years if used.

(Approved: Jane West – Corporate Director of Resources & S151 Officer)

9 LEGAL IMPLICATIONS

- 9.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Legal Services and Monitoring Officer that 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.
- 9.2 Section 28 of the Local Government Act 2003 provides that the Council is under a statutory duty to periodically conduct a budget monitoring exercise of its expenditure and income against the budget calculations during the financial year. If the monitoring establishes that the budgetary situation has deteriorated, the Council must take such remedial action as it considers necessary to deal with any projected overspends. This could include action to reduce spending, income generation or other measures to bring budget pressures under control for the rest of the year. The Council must act reasonably and in accordance with its statutory duties and responsibilities when taking the necessary action to reduce the overspend.
- 9.3 In addition, 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. Arrangements under section 151 also include setting appropriate financial accountabilities in Financial Regulations, including in relation to virements.
- 9.4 The monitoring of financial information is also a significant contributor to meeting the Council's Best Value legal duty and therefore this report also demonstrates compliance with that legal duty.

(Approved by: Sandra Herbert, Head of Litigation and Corporate Law and Deputy Monitoring Officer on behalf of the Director of Legal Services and Monitoring Officer)

10 HUMAN RESOURCES IMPACT

- 10.1 There are no immediate workforce implications as a result of the content of this report, albeit there is potential for a number of the proposals to have an impact on staffing. Any mitigation on budget implications that may have direct effect on staffing will be managed in accordance with relevant human resources policies and where necessary consultation with recognised trade unions.

- 10.2 The Council is aware that many staff may also be impacted by the increase in cost of living. Many staff are also Croydon residents and may seek support from the Council including via the cost of living hub on the intranet. The Council offers support through the Employee Assistant Programme (EAP) and staff may seek help via and be signposted to the EAP and other appropriate sources of assistance and advice on the Council's intranet.

Approved by Dean Shoesmith, Chief People Officer)

11 EQUALITIES IMPLICATIONS

- 11.1 The Council has a statutory duty to comply with the provisions set out in the Sec 149 Equality Act 2010. The Council must therefore have due regard to:
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 11.2 In setting the Council's budget for 2022/2023, all savings proposals must 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. If any impacts arise, officers will offer mitigation to minimise any unintended impact.
- 11.3 The core priority of the Equality Strategy 2020-2024 is to tackle ingrained inequality and poverty and tackling the underlying causes of inequality and hardship, like structural racism, environmental injustice and economic injustice. The budget should take due regard to this objective in relation to each protected characteristic. The Borough's responsibility to asylum seekers, young people, disabled people and their families along with adults utilising social care provision is key to this regard. Though families and single parents are not classed as a protected characteristic under Equality Act 2010, the impact may still be considered locally.
- 11.4 The cost-of-living increase has impacted heavily on the most economically vulnerable in society. Energy increases have led to some vulnerable groups having to make a choice between heating and eating. The support provided to some families by the government will go some way to supporting residents and families in need. Despite proposed increases in fees and charges being below the rate of inflation they may still have a detrimental impact on residents from our most vulnerable groups. This could potentially have an adverse impact on poverty and inequality which may potentially impact on some characteristics more than others. Research identifies the impact on some Disabled groups, communities from the Global Majority, African, Asian, African Caribbean households and other communities, young people. Research also indicates that

there is an intersectional impact on young people from racialised communities and both Disabled and pregnant women. Deprivation in borough is largely focused in the north and the east where most ethnic residents from the African, African Caribbean and Asian communities reside.

- 11.5 In setting this budget the Council has sought to mitigate the impact on all residents who may be economically affected at this time. Research states that the protected characteristics that are likely to be most impacted by fee rises and the cost-of-living increase are: young people, African, African Caribbean and Asian communities, Disabled people and some pregnant women. There is also an intersectional aspect to the impact on equality, such as a higher impact on female dual heritage Disabled individuals and young people from Asian and African/African Caribbean communities have been more affected.
- 11.6 The Council have undertaken a wide range of initiatives to mitigate the effects for those in most need. Details of mitigation for residents is in paragraphs 3.5. Mitigation through support to residents delivered by other local organisations is detailed in paragraph 3.6. The measures include: a cost-of-living hub, a range of financial support and advice including discretionary support and additional support payments, Council tax support, energy advice and a benefit calculator. Residents are also signposted to support from community partners in the delivery of initiatives to support residents such as healthy Schools Clubs. These packages are available to all eligible residents irrespective of equality characteristics and are targeted at those residents who are in the most need.
- 11.7 The full impacts of Covid 19 and long Covid on the Adult Social Care Service are suggested to have an impact on potential spend. This will be exasperated throughout the winter months which see increases in both Covid 19 and flu.
- 11.8 The impact on poverty and inequality may be increased for those residents who were economically affected by Covid 19 and are currently in rent arrears, have debt to energy companies or elsewhere.

(Approved By: Denise McCausland, Equalities Programme Manager, Policy Programmes and Performance)

12 ENVIRONMENTAL IMPLICATIONS

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

13 CRIME AND DISORDER IMPLICATIONS

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

14 DATA PROTECTION IMPLICATIONS

- 14.1 There are no specific data protection implications as the report does not contain any sensitive/personal data.

Approved by Nish Popat – Interim Head of Corporate Finance

List of Appendices

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Appendix 2 – Capital Programme Month 6

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Appendix 1 – Service Budgets and Forecasts Month 8

	Approved Budget	Current Actuals	Full-Yr Forecast	Projected Variance
	(£,000's)	(£,000's)	(£,000's)	(£,000's)
C1410E : ADULT SOCIAL CARE OPERATIONS	114,832	78,664	113,714	(1,117)
C1405E : TOTAL ADULT SOCIAL CARE AND HEALTH DIRECTORATE SUMMARY	1,195	806	795	(400)
C1420E : ADULT SOCIAL CARE POLICY AND IMPROVEMENT	15,333	7,130	16,103	770
TOTAL ADULTS	131,360	86,600	130,612	(748)
C1305E : RESIDENT ENGAGEMENT AND ALLOCATIONS	9,478	6,437	12,132	2,654
C1310E : ESTATES AND IMPROVEMENT	108	325	101	(7)
TOTAL HOUSING	9,586	6,762	12,233	2,647
C1110E : SUSTAINABLE COMMUNITIES REGEN & ECONOMIC RECOVERY DIRECTORATE SUMMARY	(220)	511	(215)	5
C1120E : SUSTAINABLE COMMUNITIES	27,449	32,298	41,101	13,652
C1130E : CULTURE AND COMMUNITY SAFETY DIVISION	5,614	4,184	5,042	(572)
C1140E : PLANNING AND SUSTAINABLE REGENERATION DIVISION	1,421	4,744	2,883	1,462
TOTAL SUSTAINABLE COMMUNITIES REGEN & ECONOMIC RECOVERY	34,264	41,737	48,811	14,547
C1605E : RESOURCES DIRECTORATE SUMMARY	(6,910)	301	(6,901)	9
C1610E : DIRECTOR OF FINANCE	9,964	110,441	15,054	5,090
C1620E : PENSIONS DIVISION	417	905	369	(48)
C1625E : MONITORING OFFICER	2,436	1,383	2,329	(108)
C1630E : INSURANCE, ANTI-FRAUD AND RISK	1,057	2,220	906	(151)
C1640E : LEGAL SERVICES DIVISION	(1,387)	359	(0)	1,387
C1650E : INTERNAL AUDIT SERVICE	414	674	522	108
C1690E : COMMERCIAL INVESTMENT AND CAPITAL DIVISION	16,952	5,878	14,552	(2,400)
TOTAL RESOURCES	22,943	122,161	26,829	3,886
C1205E : CHILDREN, YOUNG PEOPLE AND EDUCATION	605	324	605	-

	Approved Budget	Current Actuals	Full-Yr Forecast	Projected Variance
	(£,000's)	(£,000's)	(£,000's)	(£,000's)
C1210E : CHILDREN'S SOCIAL CARE	74,899	40,806	72,825	(2,074)
UNACCOMPANIED ASYLUM SEEKING CHILDREN (UASC) AND CARE LEAVERS	(4,760)	(1,050)	(4,760)	-
C1220E : EDUCATION DIVISION - exc DSG	7,689	26,115	7,732	43
C1230E : QUALITY, POLICY AND PERFORMANCE IMPROVEMENT	6,412	2,501	5,605	(807)
TOTAL CHILDRENS, FAMILIES AND EDUCATION	84,845	68,695	82,007	(2,838)
C1505E : ASSISTANT CHIEF EXECUTIVE DIRECTORATE SUMMARY	(62)	552	53	115
C1510E : CROYDON DIGITAL AND RESIDENT ACCESS	23,992	18,749	24,506	514
C1520E : CHIEF PEOPLE OFFICER DIVISION	3,387	2,305	3,083	(304)
C1530E : POLICY, PROGRAMMES AND PERFORMANCE	6,362	7,080	5,409	(953)
C1540E : PUBLIC HEALTH	-	(12,782)	(0)	(0)
C1550E : SERVICE QUALITY, IMPROVEMENT AND INCLUSION	-	(2,249)	(0)	(0)
TOTAL ASSISTANT CHIEF EXECUTIVE	33,679	13,655	33,050	(629)
TOTAL	316,677	339,611	333,542	16,865

Appendix 2 – Capital Programme Month 8

CAPITAL BUDGETS, MONITORING AND FORECASTS - PERIOD 8	Revised 2022-23 Budget	Actual to Date as at 30/11/22	2022/23 Forecasts as at Period 8	Variance for Year
Scheme Name	2022/23	2022/23	2022/23	2022/23
	£'000	(£,000's)	(£,000's)	(£,000's)
Disabled Facilities Grant	3,992	1,039	2,500	(1,492)
Empty Homes Grants	400	25	400	-
Unsuitable Housing Fund	-	138	138	138
HOUSING	4,392	1,202	3,038	(1,354)
Adults ICT	-	-	-	-
Adult Social Care Provision	-	30	30	30
ADULT SOCIAL CARE AND HEALTH	-	30	30	30
Bereavement Services	1,775	1,399	1,775	-
Bereavement Services Vehicles	39	-	39	-
Finance and HR system	-	1	1	1
My Resources Interface Enhancement	75	-	75	-
ICT	-	633	685	685
Network Refresh	141	-	141	-
Tech Refresh	610	-	610	-
Geographical Information Systems	65	-	65	-
Laptop Refresh	222	-	222	-
Cloud and DR	198	-	198	-
People ICT	-	462	85	85
Synergy Education System	1,030	-	1,038	8
NEC Housing System	2,680	-	2,431	(249)
Uniform ICT Upgrade	130	-	130	-
ASSISTANT CHIEF EXECUTIVE	6,965	2,495	7,495	530
Education – Fire Safety Works	776	-	750	(26)
Education - Fixed Term Expansions	747	49	547	(200)
Education - Major Maintenance	3,708	1,844	2,508	(1,200)
Education - Miscellaneous	134	177	134	-
Education - Permanent Expansion	319	22	319	-
Education - Secondary Estate	39	41	41	2
Education - SEN	1,026	295	1,026	-
CHILDREN, YOUNG PEOPLE AND EDUCATION	6,749	2,428	5,325	(1,424)
Allotments	200	177	200	-
Fairfield Halls-Council Fixtures & Fittings FFH	574	571	571	(3)
Growth Zone	5,988	76	2,071	(3,917)

CAPITAL BUDGETS, MONITORING AND FORECASTS - PERIOD 8	Revised 2022-23 Budget	Actual to Date as at 30/11/22	2022/23 Forecasts as at Period 8	Variance for Year
Scheme Name	2022/23	2022/23	2022/23	2022/23
	£'000	(£,000's)	(£,000's)	(£,000's)
Grounds Maintenance Insourced Equipment	1,000	-	-	(1,000)
Highways	8,618	5,847	8,618	-
Highways - flood water management	895	370	895	-
Highways - bridges and highways structures	3,403	1,684	2,611	(792)
Highways - Tree works	56	10	56	-
Local Authority Tree Fund	96	-	96	-
Trees Sponsorship	46	-	46	-
Mitigate unauthorised access to parks and open spaces	-	-	-	-
Leisure Equipment Upgrade	306	276	306	-
Leisure centres equipment Contractual Agr	430	-	-	(430)
Leisure Centre - Tennis Crt	75	-	-	(75)
Libraries Investment - General	224	110	224	-
Library Self-Service Kiosks	200	-	-	(200)
Parking	2,731	-	2,731	-
Removal of Pay & Display	366	-	-	(366)
Play Equipment	150	75	150	-
Safety - digital upgrade of CCTV	1,551	-	1,539	(12)
Section 106 Schemes	-	3	3	3
HIGHWAY SIGNAGE	274	-	274	-
South Norwood Good Growth	1,121	(325)	925	(196)
Kenley Good Growth	583	302	583	-
Sustainability Programme	550	-	25	(525)
TFL - LIP	4,835	278	4,835	-
Cycle Parking	226	-	-	(226)
EVCP	1,081	-	-	(1,081)
Car Club	-	-	-	-
Waste and Recycling Investment	1,558	-	-	(1,558)
Waste and Recycling - Don't Mess with Croydon	-	12	50	50
SUSTAINABLE COMMUNITIES, REGEN & ECONOMIC RECOVERY	37,137	9,466	26,809	(10,328)
Asset Strategy - Stubbs Mead	50	-	50	-
Asset Strategy Programme	40	-	40	-
Asset Acquisition Fund	50	-	50	-
Clocktower Chillers	30	-	30	-
Corporate Property Maintenance Programme	2,500	638	2,360	(140)

CAPITAL BUDGETS, MONITORING AND FORECASTS - PERIOD 8	Revised 2022-23 Budget	Actual to Date as at 30/11/22	2022/23 Forecasts as at Period 8	Variance for Year
Scheme Name	2022/23	2022/23	2022/23	2022/23
	£'000	(£,000's)	(£,000's)	(£,000's)
Brick by Brick programme	4,150	-	2,097	(2,053)
Fairfield Halls - Council	1,500	1,275	1,455	(45)
Fieldway Cluster (Timebridge Community Centre)	248	-	248	-
Former New Addington Leisure Centre	300	-	-	(300)
RESOURCES	8,868	1,913	6,330	(2,538)
Capitalisation Direction	25,000	-	25,000	-
Transformation Spend (Flexible Capital Receipts)	4,049	-	4,049	-
CORPORATE ITEMS & FUNDING	29,049	-	29,049	-
NET GENERAL FUND TOTAL	93,160	17,534	78,076	(15,084)
Asset management ICT database	155	117	155	-
Fire safety programme	-	718	512	512
Major Repairs and Improvements Programme	22,083	11,501	20,803	(1,280)
Trelis Mews	3,377	-	-	(3,377)
Affordable Housing	-	16	-	-
HOUSING REVENUE ACCOUNT	25,615	12,352	21,470	(4,145)
GROSS CAPITAL PROGRAMME	118,775	29,886	99,546	(19,229)

Appendix 3 – MTFS savings not delivered

MTFS Target Reference	MTFS Savings Description	Total Target	Savings Non-Delivery as at Month 8
		(£,000's)	(£,000's)
22/23 CYPE 09	Refocusing Public Health funding - New Youth & Wellbeing Offer	(300)	300
22/23 CYPE 07a	NHS Funding	(490)	490
22/23 CYPE 07b	NHS Funding	(300)	300
Children, Young People and Education Total			
22/23 ASCH 07	Refocusing Public Health funding - New Youth & Wellbeing Offer	(380)	380
21/22 ASCH 01	Baseline Savings - Disabilities Operational Budget	(4,371)	2,021
21/22 ASCH 02	Stretch Savings - Disabilities Operational Budget	(1,213)	1,213
21/22 ASCH 08	Baseline Savings - Older People Operational Budget	(3,195)	1,195
22/23 ASCH 02	Review of Older Adults Packages of Care	(505)	505
Adult Social Care and Health Total			
22/23 HOUS 01	Impact of maximising homelessness prevention	(578)	578
22/23 HOUS 02	Impact of increasing speed of homelessness decisions	(101)	101
22/23 HOUS 03	Increase use of LA Stock for EA/TA	(163)	163
22/23 HOUS 07	Ending EA/TA where the council has no duty	(193)	193
22/23 HOUS 10	Housing supply pipeline maximisation	(80)	80
22/23 HOUS 11	Contract Reviews	(250)	250
22/23 HOUS 13	Income Maximisation - Rent Collection	(240)	0
22/23 HOUS 14	Resident Engagement & Tenancy Services £100,000 saving in 22/23	(100)	100

MTFS Target Reference	MTFS Savings Description	Total Target	Savings Non-Delivery as at Month 8
		(£,000's)	(£,000's)
22/23 HOUS 04	Repurpose under-utilised sheltered housing stock	(158)	158
22/23 HOUS 09	Incentivising temporary accommodation leasing schemes	(138)	138
Housing Total			
21/22 SCRER 11	ANPR camera enforcement	(3,180)	2,040
21/22 SCRER 16	Revised Landlord Licensing scheme	(2,300)	2,300
22/23 SCRER 06	Review and reduction of the Neighbourhood Operations (NSO team)	(950)	450
22/23 SCRER 08	Introduction of a variable lighting policy	(417)	417
22/23 SCRER 15	Bus Re-Tender Contract Savings	(120)	40
22/23 SCRER 16	Private Sector Environmental Enforcement	(250)	125
22/23 SCRER 17	Parking charges increase	(650)	285
22/23 SCRER 18	Independent travel optimisation	(20)	20
22/23 SCRER 21	Increase in Pre-Planning Applications	(66)	66
Sustainable Communities Regen & Economic Recovery Total			
21/22 RES 03d	Fees And Charges	(28)	28
22/23 RES 20d	Increase in fees and charges	(142)	142
22/23 RES 20e	Increase in fees and charges	(2)	2
Resources Total			
Corporate Items & Funding Total			
21/22 ACE 05	Fees And Charges	(19)	19
22/23 ACE 12	Increase in fees and charges	(93)	93

MTFS Target Reference	MTFS Savings Description	Total Target	Savings Non-Delivery as at Month 8
		(£,000's)	(£,000's)
22/23 ACE 09	Rationalisation of software applications and contracts	(750)	300
Assistant Chief Executive Total			
Total Savings Not delivered			14,492

Appendix 4 – MTFS Savings at Risk

MTFS Savings Ref	MTFS Savings Description	Savings at risk as at Month 8	Savings at risk as at Month 7	Change From Prior Month 8 To Month 7
		(£,000's)	(£,000's)	(£,000's)
21/22 CYPE 05	Review Support for Young People where Appeal Rights Exhausted	61	61	0
21/22 CYPE 06	Improve Practice System Efficiency	0	0	0
22/23 CYPE 07a	NHS Funding	0	0	0
22/23 CYPE 07b	NHS Funding	0	0	0
Children, Young People and Education Total		61	61	0
21/22 ASCH 01	Baseline Savings - Disabilities Operational Budget	850	971	0
21/22 ASCH 05	Baseline Savings - Mental Health Operational Budget	0	0	0
21/22 ASCH 08	Baseline Savings - Older People Operational Budget	0	0	0
21/22 ASCH 04	Review of Contracts - OBC Commissioning, Working Age Adults Commissioning and Public Health commissioning	36	36	0
21/22 RES 06	HWA contract savings	35	35	0
22/23 ASCH 03	Review of Mental Health Packages of Care	50	50	0
Adult Social Care and Health Total		971	971	0
22/23 HOUS 12	Staffing Review	158	158	0
22/23 HOUS 13	Income Maximisation - Rent Collection	240	240	0
Housing Total		398	398	0
21/22 SCRER 14a	Fees And Charges	350	350	0

MTFS Savings Ref	MTFS Savings Description	Savings at risk as at Month 8	Savings at risk as at Month 7	Change From Prior Month 8 To Month 7
		(£,000's)	(£,000's)	(£,000's)
22/23 SCRER 06	Review and reduction of the Neighbourhood Operations (NSO team)	260	260	0
22/23 SCRER 12	Contract Savings - Pay and Display Machines	300	300	0
22/23 SCRER 16	Private Sector Environmental Enforcement	63	63	0
22/23 SCRER 19	New gym in Monks Hill Leisure Centre	90	90	0
22/23 SCRER 20	Non-capital and contract impact of Purley Leisure Centre closure	50	50	0
22/23 SCRER 28	Merger of Management Functions in Place	100	100	0
22/23 SCRER 17	Parking charges increase	365	365	0
21/22 SCRER 11	ANPR camera enforcement	1,140	1,140	0
Sustainable Communities Regen & Economic Recovery Total		2,718	2,718	0
22/23 ACE 18	Contract Savings - Managed Service Provider for Temporary Agency Resources £600K saving in 22/23	600	600	0
Assistant Chief Executive Total		600	600	0
Total Savings at Risk		4,748	4,748	0

Appendix 5 – Other quantifiable and unquantifiable risks

Quantified Risks	P8 £'000	P7 £'000	Details of Risk
Children, Young People and Education	1,698	2,698	<p>CLA Cost of Living £0.500m There is an expectation that children in care providers will increase placement costs as cost of living rises</p>
			<p>Pension shortfall pressure £1.198m The increase in the pension contribution in 2020/21 from 16.1% to 26.2% has not been fully funded</p>
Adult Social Care and Health	-	-	None
Housing	1,250	1,250	<p>Emergency Accommodation (EA) Bad Debt Provision £0.250m The workings behind the forecast for the bad debt provision need reviewing as the model is suggesting increases in the forecast whilst collection rates have improved</p>
			<p>Emergency Accommodation Activity levels £1.000m Targeted changes to service operation have been made to reduce the number of people supported by the EA service. These changes are embedded at August 2022 but the financial ledger and other reporting do not reflect lower numbers in the service but instead suggest that numbers are increasing. Investigatory work is about to commence to better understand the activity drivers and the links to the financial results and ensure a more accurate forecast can be brought in future months.</p>
			<p>Capital Staff Recharges (£169k) As there is no TfL capital funding thus far this year, this is creating a risk of not being able to recharge staff time to capital at the level anticipated in the budget.</p>
			<p>Additional Income (7 additional CEOs) £0.077m Additional Income (7 additional CEOs) Parking Income at risk as we have had difficulties in attracting applicants to the vacant CEO roles</p>
			<p>Additional Income £0.192m Additional Income (10p per 30mins) and Ringo discount threshold lower to 100 CO2g/km</p>

Sustainable Communities Regen & Economic Recovery	625	1,654	Inflationary Pressure on Fairfield Halls £0.187m Inflationary Pressure on Fairfield Halls contribution requested by BH Live Capital Staff Recharges (£169k) As there is no TfL capital funding thus far this year, this is creating a risk of not being able to recharge staff time to capital at the level anticipated in the budget.
Resources	-	-	None
Assistant Chief Executive	-	-	None
Total Quantified Risks	3,573	5,602	

Un-Quantified Risks	P8 £'000	P7 £'000	Details of Risk
Children, Families and Education	-	-	None
Adults, Health and Social Care			Potential post Covid-19 pandemic latent demand working through the population resulting in additional care packages placements.
			Inflation , rising fuel and food costs significant expenditure for care providers - may result in claims for increased fees or face financial instability
			High vacancy rate is caused by significant challenges in recruitment across the Directorate. This means staff are focussed on statutory delivery, rather than transformation. This is a national issue.
			There is Hospital discharge pressure as the current system risk is running at winter levels due to Covid and backlog despite being summer. Work is being done on a deep dive, as the numbers of placements and equipment cost are rising.
Housing			New Housing Structure (temporary) There remains a temporary structure within Housing, including an Interim Director of Tenancy Services. A change programme is being developed and a bid for Transformation Funding to resource it has been submitted.

			Fire at Sycamore House The financial impact of the fire at Sycamore House, Thornton Heath is as yet unquantifiable.
Sustainable Communities Regen & Economic Recovery	-		Risk To NSRWA Related Income Highways and Parking Although unknown at this stage there is a potential risk to New Roads and Street Works Act Income due to delays and disputes with Utility Companies. Further work is being undertaken to quantify these risks and where possible mitigate the effect.
Resources	-		Legal Trading Model The legal trading services model is under review. Until this review is completed officers are flagging this area as a risk. Last year Legal Services were overspent by £306,000.
Assistant Chief Executive			Risk based upon the lack of available graves for sale until the cemetery extension opens
			Increased competition from neighbouring facilities, perceived increase in direct cremations, viewed as the cheaper option for families as inflation starts to take effect
Corporate Items & Funding	-	-	None
Total Un-Quantified Risks			

Un-Quantified Risks	P8 £'000	P7 £'000	Details of Risk
Children, Young People and Education			None
Adults, Health and Social Care			Potential post Covid-19 pandemic latent demand working through the population resulting in additional care packages placements.
			Inflation , rising fuel and food costs significant expenditure for care providers - may result in claims for increased fees or face financial instability
			High vacancy rate is caused by significant challenges in recruitment across the Directorate. This means staff are focussed on statutory delivery, rather than transformation. This is a national issue.
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Sustainable Communities Regen & Economic Recovery			Risk To NSRWA Related Income Highways and Parking Although unknown at this stage there is a potential risk to New Roads and Street Works Act Income due to delays and disputes with Utility Companies. Further work is being undertaken to quantify these risks and where possible mitigate the effect.
Resources			Legal Trading Model The legal trading services model is under review. Until this review is completed officers are flagging this area as a risk. Last year Legal Services were overspent by £306,000.

			Risk based upon the lack of available graves for sale until the cemetery extension opens
Assistant Chief Executive			Increased competition from neighbouring facilities, perceived increase in direct cremations, viewed as the cheaper option for families as inflation starts to take effect
Corporate Items & Funding			None
Total Un-Quantified Risks			

Appendix 6 Quantifiable and unquantifiable opportunities

Quantified Opportunities	P8 £'000	P7 £'000	Details of Opportunities
Children, Young People and Education	(3,038)	(1,783)	0-17 CWD – (£0.650m) Possible underspend in care packages due to the reduction in 0-17 CWD children numbers
			Grant income – (£0.800) Additional Grant income
			Recruitment – (£0.390m) Vacant social worker posts across the division due to delays in permanent recruitment meaning the recruitment and retention budget will underspend
			Vacancies pending permanent recruitment (£1.198m) Ongoing delays in recruitment and onboarding of international social workers
Adult Social Care and Health	(380)	(380)	Public Health (£0.380m) Ongoing Internal Review of Public Health Funding towards related expenses
Housing	-	-	None
Sustainable Communities Regen & Economic Recovery	(1,292)	(1,292)	Community Infrastructure Levy Review (£0.300m) Further use of CIL monies to support revenue expenditure where the conditions met being reviewed.
			Streetlighting review (£0.230m) Current pilot is being evaluated.
			Highways Savings (0.140m) Additional In year Highways Revenue Savings
			Parking Income (£0.192m) Additional In year Parking Income
			HRA charges (£0.430m) HRA Reserve to Cover HRA Budgets Not Recharged Last Year and Expected not To be This Year

Quantified Opportunities	P8 £'000	P7 £'000	Details of Opportunities
Resources	(100)	(100)	Staffing Review £0.100 Staffing review that may lead to further savings on salary costs
Assistant Chief Executive	(320)	(320)	Public Health (£0.320m) Ongoing Internal Review of Public Health Funding towards related expenses.
Corporate Items & Funding	(605)	(605)	Reduced borrowing need (£0.605m) Potential saving as a result of a review of borrowing costs to fund the capital programme.
Total Quantified Opportunities	(5,735)	(4,420)	

LONDON BOROUGH OF CROYDON

REPORT:	CABINET	
DATE OF DECISION	22 February 2023	
REPORT TITLE:	Opening the Books – Reports from Worth Technical Accounting Solutions	
CORPORATE DIRECTOR / DIRECTOR:	Jane West Corporate Director of Resources and Section 151 officer	
LEAD OFFICER:	Jane West	
LEAD MEMBER:	Councillor Jason Cummings Cabinet Member for Finance	
DECISION TAKER:	Executive Mayor in Cabinet	
AUTHORITY TO TAKE DECISION:		
KEY DECISION?	No	REASON: N/A
CONTAINS EXEMPT INFORMATION?	No	Public
WARDS AFFECTED:	All	

1 SUMMARY OF REPORT

The Opening the Books project was launched by the Mayor in July 2022 to improve the Council’s understanding of current financial risks and to work towards a sustainable financial future. The project has had a number of facets including the commissioning of a series of reviews by Worth Technical Accounting Solutions. The resulting reports are presented here to Cabinet with the recommendation that the Audit and Governance Committee be asked to debate them at a future meeting, scheduled for 3 March 2023. The reports are being shared in full under the Mayor’s openness and transparency ethos with nothing hidden. The recommendations made by Worth TAS are accepted in their entirety by the Council and are set out in the action plan in Appendix F. It is recommended that progress against these recommendations is monitored by the Audit and Governance Committee through to completion.

2 RECOMMENDATIONS

The Executive Mayor in Cabinet is recommended to:

- 2.1 To accept and refer the Worth Technical Accounting Solutions reports to the Audit and Governance Committee for debate.
- 2.2 Request that the Audit and Governance Committee monitor the implementation of the recommendations from the reports.

3. BACKGROUND AND DETAILS

- 3.1 The Opening the Books project was launched by the Mayor in July 2022 to improve the Council's understanding of current financial risks and to work towards a sustainable financial future. The project has had a number of facets including the commissioning of a series of reviews by Worth Technical Accounting Solutions.
- 3.2 The following reviews have been completed by Worth TAS:
 - London Borough of Croydon Capitalisation Direction
 - London Borough of Croydon Managing Revenue Budgets
 - London Borough of Croydon Budget Setting and Financial Management
 - Review of Capital Spending Plans, Treasury Management Strategies, Debt Charges and Borrowing
 - London Borough of Croydon Financial Reporting and Year End Close.
- 3.3 The full reports are attached in their entirety as Appendices A to E as part of the Mayor's commitment to openness and transparency.
- 3.4 The reviews provided important information over the summer and autumn of 2022 that has fed into the Council's Medium Term Financial Strategy, as reported to Cabinet in November 2022, and the Council Tax Setting papers that are presented to Cabinet elsewhere on this agenda. Areas that have been informed by this work include:
 - The Council's increased use of capital receipts to repay its outstanding borrowing, including the revision to the Council's Asset Management Strategy.
 - The setting of the Council's Minimum Revenue Provision for the repayment of borrowing, including an increase for earlier years that has been included in the Council's request to government for a Legacy Capitalisation Direction.
 - The establishment of a new officer group to review all the debts owed to the Council, the approaches to collection, the requirements for debt write off and the required provision for bad debt. A large shortfall in the provision for bad debt was identified which has been included in the Council's request to government for a Legacy Capitalisation Direction.
 - Recent improvements to financial modelling
 - Recommended improvements in budget setting across the Council have identified the need to correct a range of budgets as part of the Council Tax

Setting process. A significant number of budgets have been identified as being incorrectly calculated or even completely erroneous.

- 3.5 This work has been a significant contributor to identifying the Council's large and previously unrecognised budget gap, the need to issue the November 2022 S114 notice and the requirement for additional financial support from government. The reviewers support the direction of travel of the Council's Medium Term Financial and share the Council's view that the Council's current level of borrowing is financially unsustainable without extraordinary financial support from government.
- 3.6 A table listing all the reviewers' recommendations is presented as Appendix F, including details of the officer responsible for implementation. The recommendations which have already been fully implemented have been greyed out. Good progress has already been made against most recommendations.
- 3.7 In summary the reviews identify the following strategic actions required into the future:
- Focus on the Mayor's top priorities as identified in the Mayor's Business Plan in the context of what is affordable.
 - Challenge established patterns of spending to generate more substantial savings and re-size revenue budgets by reducing non-priority services to non-priority groups and reviewing current methods for delivering core services
 - Restrict capital spending to essential items only, focussing investment on operational assets in order to minimise new borrowing
 - Maximise asset sales to repay borrowing and fund Capitalisation Directions. More asset sales should also reduce future debt charges as well as premises and utility costs.
- 3.8 In terms of processes, the reviews conclude that the Council needs to:
- Improve the clarity and consistency of key financial information
 - Closely monitor levels of General Fund balances and reserves
 - Ensure all savings plans are realistic and achievable
 - Adopt realistic assumptions and consider 'worst case' scenarios
 - Get year end accounts up to date
 - Improve oversight of key financial processes.

4 ALTERNATIVE OPTIONS CONSIDERED

N/A

5 CONSULTATION

None

6. CONTRIBUTION TO COUNCIL PRIORITIES

The Opening the Books project aligns with the Mayor's core outcome of balancing the Council's books.

7. IMPLICATIONS

7.1 FINANCIAL IMPLICATIONS

7.1.1 As the report states, the findings of the Opening the Books project were reflected in the Council's Medium Term Financial Strategy reported to Cabinet in November 2022, and are reflected in the Council Tax Setting papers presented for the 2023/24 budget. The recommendations are accepted in full and progress on their implementation will be monitored.

Approved by: Alan Layton, Interim Head of Service, Finance on behalf of Corporate Director of Resources.

7.2 LEGAL IMPLICATIONS

7.2.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Legal Services and Monitoring Officer that the Audit and Governance Committee is required by its terms of reference to monitor the effective development and operation of the Council's risk management arrangements, the control environment and associated strategies, actions and resources, and to provide independent assurance to the Council of the adequacy of the risk management framework and the internal control environment.

7.2.2 Under Regulation 3 of the Accounts and Audit Regulations 2015, the Council must ensure that it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives, ensures that the financial and operational management of the authority is effective, and includes effective arrangements for the management of risk.

7.2.3 Separately, the effectiveness of the Council's internal control environment has a direct impact on the Council's ability to deliver its functions in a manner which promotes economy, efficiency and effectiveness. Therefore, the consideration of this report also seeks to demonstrate the Council's compliance with its Best Value Duty under the Local Government Act 1999.

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

7.3 EQUALITIES IMPLICATIONS

7.3.1 Under the Public Sector Equality Duty of the Equality Act 2010, decision makers must evidence consideration of any potential impacts of proposals on groups who share the protected characteristics, before decisions are taken. This includes any decisions relating to how authorities act as employers; how they develop, evaluate and review policies; how they design, deliver and evaluate services, and also how they commission and procure services from others.

7.3.2 Section 149 of the Act requires public bodies to have due regard to the need to:

- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
- advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- foster good relations between people who share a protected characteristic and people who do not share it.

7.3.3 Protected characteristics defined by law include race and ethnicity, disability, sex, gender reassignment, age, sexual orientation, pregnancy and maternity, and religion or belief.

7.3.4 Having due regard means there is a requirement to consciously address the three tenets of the Equality Duty within decision-making processes. By law, assessments must contain sufficient information to enable the local authority to show it has paid 'due regard' to the equalities duties; and identified methods for mitigating or avoiding adverse impact on people sharing protected characteristics. Where a decision is likely to result in detrimental impact on any group with a protected characteristic it must be justified objectively.

Approved by: Gavin Handford, Director of Policy, Programmes & Performance

7.4 HUMAN RESOURCES IMPLICATIONS

7.4.1 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: Dean Shoesmith, Chief People Officer, 30 January 2023.

8. APPENDICES

Appendix A: London Borough of Croydon Capitalisation Direction

Appendix B: London Borough of Croydon Managing Revenue Budgets

Appendix C: London Borough of Croydon Budget Setting and Financial Management

Appendix D: Review of Capital Spending Plans, Treasury Management Strategies, Debt Charges and Borrowing

Appendix E: London Borough of Croydon Financial Reporting and Year End Close

Appendix F: Worth Technical Accounting Solutions Recommendations Tracker

9. BACKGROUND DOCUMENTS

None

Appendix F

Worth Technical Accounting Solutions Recommendations Tracker

Ref	Recommendation	Accountable Officer
1.	A more comprehensive process for identifying current and expected financial pressures should be implemented, to take account of: <ul style="list-style-type: none"> • future spending pressures • key budget assumptions affecting grant funding and taxation income, • historical accounting issues • expected levels of General Fund reserves and working balances • MRP and interest implications of any new Capitalisation Directions (CDs) approved. 	Director of Finance
2.	New and emerging financial pressures identified from R1 above should be reported to members as part of budget monitoring reports, together with a summary of their expected impact on future General Fund balances. This information should help to inform consideration of the Council's overall financial position and any potential requirement for further Government support.	Corporate Director of Resources
3.	If the CD adjustment in the financial statements is significantly different from the amount set out in the Direction for that financial year, the Statement of Accounts should explain why.	Director of Finance
4.	As CD adjustments represent material items of account they should be separately identified in the Movement in Reserves Statement and the material items note.	Director of Finance
5.	The accounting treatment adopted for material CD adjustments should be set out in accounting policy disclosures.	Director of Finance
6.	Disclosure notes which reference the CD should be internally consistent.	Director of Finance
7.	The Council's Treasury Management Strategy should be more transparent about: <ul style="list-style-type: none"> • how forecast capital receipts are being used to finance different types of capital expenditure • how CDs are funded, and • how MRP charges are being calculated. 	Head of Pensions and Treasury
8.	Detailed MRP calculations should be consistent with Treasury Management and budget reports.	Head of Pensions and Treasury
9.	The Council is prioritising the use of capital receipts to fund current and future CDs and has recently approved a more ambitious asset disposal strategy to generate additional capital receipts. However, future budget forecasts and financial modelling may need to reflect the fact that if sufficient capital receipts are not generated within anticipated timescales, any CDs not funded from capital receipts would attract MRP at 5% for the next 20 years.	Director of Finance
10	Improvements to the processes that support budget planning and management in adult social care services should be	Director of Finance

	prioritized, to embed a consistent knowledge and use of systems; therefore minimizing inconsistent datasets, to better support service management and budget setting.	
11	Collective understanding about the cost components of adult social care budgets has significantly improved since 2021. This approach should now be extended so that the income element of the budget, particularly care charges and service-based grant income are equally well understood.	Director of Finance
12	Financial modelling used to predict the unit cost and demand for social care need to be kept under review to reflect Government changes and should be refined and updated as further information becomes available.	Director of Finance
13	Further work on demand modelling also need to be carried out across health and social services to ensure that current predictions of demand and future activity levels are robust.	Director of Finance
14	The Council needs to ensure that healthcare providers and commissioners make appropriate contributions both to the funding of individual care packages and to the more strategic aspects of service delivery.	Corporate Director of Resources
15	Financial modelling should be integrated across the Council, to recognize the potential impact that MTFS savings in other areas of spending (particularly housing) might have on the demand for adult social services.	Director of Finance
16	The Council should review its current workforce strategy and ensure that it becomes an employer of choice for adult services.	Corporate Director of Adult Social Care and Health
17	Going forward, the MTFS may need to develop a more transformational approach which builds on the approach already adopted in the recent review of eligibility criteria for adult social care.	Corporate Director of Resources
18	Implementation of the High Needs Management Recovery Plan (HNMRP) needs to be kept under regular review.	Corporate Director of Children's, Young People and Education
19	Corporate budgets and High Needs Management Recovery Plan implementation plans need to reflect the upfront investment required to realise longer term savings in High Needs provision.	Corporate Director of Children's, Young People and Education
20	Commissioning processes and contract monitoring arrangements should be sufficiently challenging for all service providers, with contract documentation that clearly sets out: <ul style="list-style-type: none"> • the cost and quality of service the Council expects, • eligibility criteria, and • contract monitoring arrangements. 	Corporate Director of Children's, Young People and Education
21	The Council has significantly improved its understanding of how demand for services influences the revenue budgets in Children's services, but it needs to keep forecasting models under review. For example: <ul style="list-style-type: none"> • forecast reductions in placement costs for children in care are not in line with national trends across the rest of the UK, • nationally, increases in reported numbers of children with disabilities (CWD) are also anticipated and the Council needs to work closely with local health services to model expected future demand 	Corporate Director of Children's, Young People and Education

	<ul style="list-style-type: none"> •demand is also increasing for statutory child protection and safeguarding services, which needs to be recognized in future budgets • there needs to be a greater understanding about the impact that financial savings made in other parts of the Council, especially housing and homelessness services, might have on demand for children services. 	
22	Recent improvements made in the working relationships between Children's services and the corporate finance team, and in the processes put in place to support effective budget management, need to become fully embedded in day-to-day service delivery. To facilitate this process, the Council has contracted directly with the DfE Financial Adviser for a further 12 months' support which should facilitate embedding their expertise into the Children's Services team.	Director of Finance
23	The Council should ensure that information in relation to staffing, budget management and forecasting is accurate and up-to-date, and is embedded in accessible and user-friendly systems so that common data sets can be shared between Children's services and support functions such as HR, payroll and finance.	Director of Finance
24	The Council should consider strengthening early help and prevention services, to help reduce demand for care placements in the borough.	Corporate Director of Children's, Young People and Education
25	There is a well thought through sufficiency strategy for foster carers in the borough, and a transformation project to increase in-house foster care is now in place for 2023-24. A move to more in-house foster care could potentially reduce placement costs by 40 – 50%, so delivering this strategy should be a Council priority.	Corporate Director of Children's, Young People and Education
26	There is now a Direct Payment policy for the 0-17 CWD service, but take-up is relatively low and could be expanded.	Corporate Director of Children's, Young People and Education
27	Budget setting spreadsheets and financial modelling tools should be understandable by staff outside the corporate finance team, easy to use and maintain, and link back readily to Council reports.	Director of Finance
28	Financial modelling and budget reports should be clearer about anticipated growth, funding changes and expected savings and should ensure that this information is accurately and consistently presented to decision-makers.	Corporate Director of Resources
29	2023/24 budget reports could be made easier to understand by: <ul style="list-style-type: none"> • highlighting key messages for members in the summary report • setting out savings and growth figures separately • setting out assumptions about funding changes in appendices, and • ensuring that all appendices are consistent with the summary report. 	Director of Finance
30	Financial modelling already underway to quantify budget gaps for 2023/24 and future years should, as a minimum, be extended to 2025/26 and the updated assumptions underpinning these plans should be included in budget reports.	Corporate Director of Resources

31	Financial modelling should take account of account of all cost pressures identified, including historical accounting issues and new and emerging financial risks.	Corporate Director of Resources
32	2023/24 budget reports need to be clear about unavoidable spending growth and the plans in place to manage demand-led items e.g., social care and utilities budgets, down to unavoidable levels.	Corporate Director of Resources
33	Until the Council's overall financial position has stabilised, any other proposals for revenue growth should be reconsidered, unless there is a clear expectation that these can generate additional savings.	Corporate Director of Resources
34	Section 25 report should present a realistic assessment of the Council's current and expected financial position, and should be expanded to comply with the Local Government Act 2003 by reporting specifically on: <ul style="list-style-type: none"> • expected levels of General Fund balances and reserves, • all identified spending pressures (which should be quantified), • the s151 officer's opinion on the adequacy of those balances, • the split between earmarked reserves and working balances, • confirmation that working balances will be cash-backed, • any new earmarked reserves which need to be established, and • any proposed transfers to and from earmarked reserves. 	Corporate Director of Resources
35	To provide additional context for decision-makers, the section 25 report could also include information on levels of General Fund balances at neighbouring authorities, and CIPFA guidance on setting levels of balances and reserves.	Corporate Director of Resources
36	Monthly budget monitoring reports should clearly set out the Council's target level of General Fund working balances and compare this to expected balances at the year end. If a significant shortfall is identified, the Council should as a priority either: <ul style="list-style-type: none"> • develop plans for bridging the gap, or • consider the requirement for additional Government support. 	Director of Finance
37	Current savings plans should be rationalised and consolidated, with any duplicated items removed. All savings plans should have nominated "owners" who are responsible for delivering the savings identified within specified timescales set out in budget reports.	Director of Finance
38	Larger savings plans, say over £0.5m, should have detailed business cases which clearly identify the cost of delivering these anticipated savings, and are subject to robust scrutiny before being included in the budget.	Corporate Director of Resources
39	Progress on the delivery of major savings initiatives should be regularly reported to members in addition to progress in delivering target savings overall.	Corporate Director of Resources
40	The Council has successfully implemented transformational change in a number of areas but may need to extend this approach in order to develop more ambitious savings plans.	Corporate Director of Resources
41	The Council needs to put in place a much clearer process for identifying and accounting for Transformation costs, which only treats such costs as capital expenditure where they meet Government guidance criteria in full.	Director of Finance
42	To meet current Government guidelines, the Council should also ensure that any Transformation costs which are	Director of Commercial

	capitalised are financed from capital receipts and not borrowing.	Investment & Capital
43	The Council should develop a Capital Strategy in line with the current requirements of CIPFA's Prudential Code. This Strategy should clearly set out how capital investment is prioritised and include a requirement for projects previously approved by members to be revisited in the light of the current financial position.	Director of Commercial Investment & Capital
44	An updated version of the rolling three-year capital programme should be presented to members for approval as part of 2023/24 budget reports.	Corporate Director of Resources
45	The Council's TMS should set out the assumptions and key risks underpinning expected changes to capital funding streams.	Head of Treasury and Pensions
46	The Council should aim to reduce its dependence on borrowing to fund capital investment, by: <ul style="list-style-type: none"> • identifying sources of non-government grant funding, and • generating additional capital receipts from asset sales. 	Corporate Director of Resources
47	Information contained within the TMS and used to calculate key prudential indicators should be consistent internally and with revenue budgets and capital spending plans approved by Full Council.	Head of Treasury and Pensions
48	The TMS should include up to date financial information and clear performance targets for all types of treasury and non-treasury investments in terms of security, liquidity and yield. For example: <ul style="list-style-type: none"> • regarding loans to third parties, security arrangements, due diligence processes, and the arrangements in place for monitoring repayment and assessing the possibility of default • regarding investments in council companies, the arrangements for managing performance against financial and non-financial targets, and agreed exit strategies for non-performing companies 	Head of Treasury and Pensions
49	The Council's TMS needs to be more explicit, and more realistic about: <ul style="list-style-type: none"> • whether new borrowing will represent external loans or utilisation of existing liquid resources • expected timings of any new external borrowing, and • whether this borrowing will be long or short term • the impact new loan debt will have on revenue debt charges and General Fund budgets in future years. 	Head of Treasury and Pensions
50	The Council should update its TMS, revenue budgets, and medium-term financial plans to reflect more up to date assumptions about future interest rates.	Head of Treasury and Pensions
51	Given the expected increase in UK interest rates going forward, the Council should also consider the potential benefits of: <ul style="list-style-type: none"> • a debt reduction strategy, and • replacing short term, variable rate borrowing with long term, fixed rate loans where repayment profiles are matched against the expected useful life of the asset. 	Corporate Director of Resources
52	The Council's published MRP policy should: <ul style="list-style-type: none"> • explain the MRP framework and calculation options are as set out in current statutory and non-statutory guidance, 	Director of Finance

	<ul style="list-style-type: none"> • highlight any significant changes to the guidance since last year, and • confirm that these requirements are being correctly applied. 	
53	The Council should review its MRP policy and underlying calculations, to confirm that the annual charge has been calculated in line with statutory and non-statutory guidance, and that realistic levels of MRP have been built into General Fund budgets.	Director of Finance
54	Corporate guidance should be provided on key accounting areas such as the preparation and evidencing of: <ul style="list-style-type: none"> • bank reconciliations • other key reconciliation processes • bad debt write-offs, and • calculation of bad debt provisions at the year-end. 	Director of Finance
55	Bank reconciliations should be completed weekly, with copies provided to the corporate finance team together with evidence confirming that: <ul style="list-style-type: none"> • each bank statement reconciles back to the ledger, • all suspense and holding account items have been cleared, and that, • cash flow forecasts used to make treasury management decisions have been updated as necessary. 	Director of Finance
56	A “dashboard” process (or equivalent) should be established to confirm that: <ul style="list-style-type: none"> • feeder system reconciliations are undertaken monthly throughout the year, • any reconciling items are investigated, • mis-postings have been corrected, and • all suspense and holding account balances have been cleared. 	Director of Finance
57	Bad debt provisions should be calculated on a consistent basis, based on the age of the debt and a realistic assessment of collectability. As a general rule, based on practices that we have observed elsewhere, all debts over 5 years old should be written off and all debts over 2 years old should be at least partially provided for.	Director of Finance
58	The Council is carrying a significant amount of debt which is more than 7 years old and, although much of this is fully provided for, most of these debts should be written off.	Corporate Director of Resources
59	A Prepared by Client (PBC) list should be obtained from the audit team and used to ensure that a comprehensive set of working papers is produced each year.	Director of Finance
60	Templates should be introduced to ensure that working papers are prepared to a consistent standard and support all transactions, disclosures and balances in the Statement of Accounts.	Director of Finance
61	Closedown work should include: <ul style="list-style-type: none"> • detailed review of year-end working papers at pre-audit stage • analytical review on all material transactions, disclosures and balances. 	Director of Finance
62	Working papers should specifically address new audit requirements on key accounting estimates for: <ul style="list-style-type: none"> • land and property valuations • IAS 19 disclosures, and 	Director of Finance

	<ul style="list-style-type: none"> • any material provisions or accounting estimates. 	
63	<p>Timely production of year-end accounts and in-year financial information should be a corporate priority going forward, with visible and effective leadership ensuring that:</p> <ul style="list-style-type: none"> • financial statements are published by 30 September each year, and • outturn reports are published on a regular basis throughout the year. 	Director of Finance
64	<p>Closedown plans should be reviewed and updated to ensure that:</p> <ul style="list-style-type: none"> • the key tasks identified reflect all Code and PBC requirements, • all tasks are allocated to named individuals, and that, • as much work as possible is completed in advance of 31 March each year 	Director of Finance
65	<p>Closedown work should be less dependent on a small number of staff within the corporate finance team by involving all service-based finance staff as well as Exchequer and Treasury Management personnel.</p>	Corporate Director of Resources
66	<p>Staff briefings on year-end close should be developed and extended to include, for example, technical training on Code disclosures and audit requirements.</p>	Director of Finance
67	<p>Written guidance should be provided to all staff involved in year-end close.</p>	Director of Finance
68	<p>Project management arrangements should ensure that all audit queries are responded to promptly and comprehensively.</p>	Director of Finance
69	<p>Regular meetings between the Section 151 officer and the local external audit team, and regular progress reports to the Audit Committee, should be used to monitor both the production of year-end accounts and the progress being made by external audit.</p>	Corporate Director of Resources
70	<p>The published Statement of Accounts should either include the complete version of the Annual Government Statement, a summarised version to meet Code requirements, or, as a minimum, clear signposting as to where the AGS can be found.</p>	Corporate Director of Resources
71	<p>2021/22 pension fund accounts should be completed as soon as possible. The 2021/22 pension fund annual report should also be drafted and published as this is now overdue.</p>	Head of Pensions and Treasury
72	<p>Going concern disclosures in Note 1.2 should explain why the going concern assumption remains appropriate given the Council's current financial position.</p>	Head of Pensions and Treasury
73	<p>The Statement of Accounts should include credit risk disclosures on trade and loan debts, together with an aged analysis of debtors and summary information on debts past due date not yet impaired.</p>	Director of Finance
74	<p>To demonstrate that all relevant Code requirements have been met, the Council should complete CIPFA's detailed disclosure checklist each year.</p>	Director of Finance
75	<p>Spreadsheet-based cross-referencing and consistency checks should be extended to include cross-checks on:</p> <ul style="list-style-type: none"> • movements in useable and unusable reserves • the Expenditure and Funding Account, and • the subjective analysis of Net Cost of Services in Note 1C. 	Director of Finance
76	<p>Some complex accounting matters have been outstanding for several years. Resolving these matters, and making</p>	Corporate Director of Resources

	appropriate adjustments to prior year's financial statements, should be regarded as a priority.	
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LONDON BOROUGH OF CROYDON CAPITALISATION DIRECTION

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1. Introduction and Summary

In July 2022, Worth Technical Accounting Solutions Limited were engaged by the London Borough of Croydon to support the Council's "Opening the Books" initiative. This work included a high-level review of the current approach to calculating and accounting for Capitalisation Directions.

Sometimes referred to as "exceptional financial support", a Capitalisation Direction (CD) from the Government does not provide any additional funding, but by allowing some revenue costs to be capitalised it does relieve the immediate pressure on General Fund balances and offers a time-limited opportunity to review spending plans and re-balance revenue budgets.

Croydon obtained CDs totalling £145m between 2020/21 and 2022/23, this initial CD application was based on budget pressures identified in 2020. Since then circumstances have changed significantly and the Council is now in the process of:

- developing new financial plans for 2023/24 and future financial years, and
- as part of this process, considering whether or not to request additional support from the Government.

This financial modelling needs to take account of:

- key budget assumptions affecting grant funding and taxation income,
- the potential impact of historical accounting issues
- expected levels of General Fund reserves and balances, and
- the longer-term revenue implications of any new CDs approved.

Calculations should be updated regularly and reported to members as part of budget monitoring reports.

The Council has correctly accounted for the previous CD as Revenue Funded from Capital Under Statute (REFCUS) in 2020/21 but our detailed report has highlighted that some consistency issues and additional disclosure requirements that may need to be addressed.

The 2022/23 Treasury Management Strategy assumed that the Council will use capital receipts to fund the current CD in full by 2024/25. Members have recently approved a more ambitious asset disposal strategy, with a view to ensuring that both the current CD and any additional CDs requested can be financed from capital receipts in full. We fully support this approach. However, if sufficient asset sales cannot be generated within anticipated timescales to meet these requirements, future years' revenue budgets may need to be adjusted to reflect the debt charges associated with any element of CD support not fully financed from capital receipts.

2. Calculation of Capitalisation Direction requests

In December 2020, the Council applied for a Capitalisation Direction (CD) from the Government. This action was taken following a section 114 report being issued by the then section 151 officer the previous month.

Section 114(3) of the Local Government Finance Act 1988 states that “the *chief finance officer of a relevant authority shall make a report under this section if it appears to him [or her] that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed resources (including sums borrowed) available to it to meet that expenditure*”.

The s114 report identified a potential shortfall of £66m in the Council’s General Fund revenue budget, resulting from:

- forecast overspends in the 2020/21 revenue budget totalling £30m,
- failure to deliver planned efficiency savings of £10m, and
- lower than expected dividend income from Council owned companies, totalling £26m.

It was therefore apparent that the Council could not deliver a balanced budget for 2020/21 as General Fund reserves and balances did not cover this projected overspend. The s114 report also referenced the fact that the Council had been experiencing financial pressures for a number of years, and that some (but not all) of these financial pressures had been caused or exacerbated by Covid-19.

Following a process of engagement with DLUHC Croydon received Capitalisation Directions as follows, and the s114 notice issued in November 2020 was formally revoked in March 2021:

	£m
2020/21	70 confirmed by Direction March 2021
2021/22	50 confirmed by Direction March 2022
2022/23	25 approved in principle March 2022
Total	145

Source: www.gov.uk/government/publications/exceptional-financial-support-for-local-authorities-capitalisation-directions

The statutory basis for providing a Capitalisation Direction is set out in section 16(2) (b) of the Local Government Act 2003 which states that “*the Secretary of State may, by direction, provide that expenditure of a particular local authorities shall be treated...as being, or as not being, capital expenditure*”.

CDs are not cash-backed and do not provide any additional funding. However, by treating revenue spending as capital, they relieve pressure on General Fund reserves and working balances. This provides a time-limited opportunity to review spending plans and re-balance revenue budgets.

The total CD requested at Croydon was based on projecting current budget pressures going forward, and on the assumption that:

- these budget pressures would remain broadly the same over the next 2-3 years, and could be addressed over a similar period of time, mainly by identifying further spending

reductions of over £70m in addition to the £80m of service reductions and efficiency savings already included in existing budgets

- service transformation would be built into the Council’s recovery plans, initially driven by a target of reducing adult social care and children’s services to average or below average cost.

The budgets and savings plans supporting the Council’s initial CD request were included in a published Renewal and Improvement Plan, and in summary are set out below. It should be noted however that the CD of £5m for 2023/24, although included in current budget assumptions, has not yet been formally approved by the Government.

	Cumulative			
	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m
Initial budget gap identified	100	108	135	160
Existing service reductions and efficiencies	(30)	(43)	(65)	(81)
Revised budget gap	70	65	70	79
Additional savings (financial recovery plan)		(15)	(45)	(74)
	70	50	25	5
Capitalisation requirement	(70)	(50)	(25)	(5)

Source: Croydon Renewal and Improvement Plan 2021

To date, ten local authorities have obtained CDs, but only Croydon and Slough have obtained CDs over £50m. Slough’s CD application in 2022 was for a significantly larger amount – over £300m compared to Croydon’s £145m – mainly because it included the following:

- historic accounting issues, such as the correction of errors identified in previous years accounts going back to 2016/17. This included, for example, correction of errors in prior years’ Minimum Revenue Provision (MRP) calculations and revenue costs capitalised inappropriately,
- re-instatement of General Fund balances to 5% of spending
- increasing provisions to more prudent levels
- correction of unrealistic assumptions in Council Tax calculations, including assumptions on Council Tax growth and spending pressures on adult social care.
- future spending pressures on adult social care.

This approach was supported by DLUHC, CIPFA and DLUHC’s appointed Commissioners.

We have explained to Council officers how CD calculations were prepared at Slough, for information as we believe this methodology provides a comprehensive assessment of the Council’s financial position and also has the benefit of clearly differentiating between financial pressures which impact on the Council’s cash flow, such as service costs, and those such as MRP calculations which do not.

The above comments are not intended to imply suggest any criticism of the Council’s previous approach. Croydon was one of the first local authorities to issue a s114 Notice and seek Government support and the Council worked very closely with DLUHC to ensure that

all of their requirements and requests for information were fulfilled. However, since at the date of writing this report (September 2022) the Council was considering the need to issue a further section 114 Notice and seek additional CD support, we considered that an awareness of how other local authorities have tackled similar issues might be helpful.

We also believe that a comprehensive assessment of financial pressures helps to identify underlying organisational issues (which are often connected) and facilitates a more holistic approach to reducing base budgets by challenging underlying service plans, as opposed to over-reliance on:

- ambitious savings targets which may not realistically be achievable, or
- accountancy-based solutions, such as reducing MRP charges to the General Fund and reducing provisions, which do not address underlying issues with service costs.

At the time of our initial review, the Council's Period 3 monitoring report for 2022/23 was forecasting a £12.4m overspend, partially mitigated by the release of contingencies. Medium-term financial forecasts for 2023/24 and future years have identified further budget gaps resulting from both service pressures and the need to revisit previous budget assumptions on inflation, grant funding, and taxbase growth.

The combined total of these budget shortfalls over the next four years was estimated at £52m as at August 2022. Actual out-turn will obviously change as the 2022/23 financial year progresses. Also when we carried out our review some financial pressures were still being quantified. For example:

- MRP (debt charge) calculations were in the process of being re-visited,
- as identified in recent Cabinet reports, some savings plans are now considered to be over-optimistic and may not be delivered,
- the impact of proposed Government changes to funding adult social care needed some refinement, and
- accounting issues relating to Brick by Brick and Croydon Affordable Homes had not yet been resolved.

Our own work has also identified that:

- interest rate increases are likely to be significantly more than the 2022/23 Treasury Management Strategy suggests, and
- some revenue items have historically been incorrectly capitalised as Transformation costs.

We have recommended that the Council develop a comprehensive process for identifying current and expected financial pressures, to inform consideration of any further need for Government Capitalisation Directions. Financial modelling should also consider:

- key budget assumptions affecting grant funding and taxation income,
- the correction of any historical accounting issues, and
- potential changes to expected levels of General Fund reserves and working balances.

New and emerging financial pressures identified should be reported to members as part of budget monitoring reports, together with a summary of their expected impact on future General Fund balances. This information should help to inform consideration of the Council's overall financial position and any potential requirement for further Government support.

Recommendation

R1. A more comprehensive process for identifying current and expected financial pressures should be implemented, to take account of:

- **future spending pressures**
- **key budget assumptions affecting grant funding and taxation income,**
- **historical accounting issues**
- **expected levels of General Fund reserves and working balances**
- **MRP and interest implications of any new CDs approved.**

R2. New and emerging financial pressures identified from R1 above should be reported to members as part of budget monitoring reports, together with a summary of their expected impact on future General Fund balances. This information should help to inform consideration of the Council's overall financial position and any potential requirement for further Government support.

3. Accounting treatment

Section 4.6 of the CIPFA Code of Practice on Local Authority Accounting states that where revenue costs have been capitalised under Government direction in accordance with section 16(2) of the 2003 Act, these items should be accounted for as Revenue Expenditure Funded from Capital under Statute (REFCUS). Paragraphs 4.6.3 and 5.6.4 go on to state that any items identified as REFCUS should in the first instance, be charged to surplus or deficit on the provision of services in accordance with the general provisions of the Code, with:

- any relevant statutory over-rides applied by debiting the capital adjustment account and crediting the General Fund balance, thus showing as a reconciling item in the Movement in Reserves Statement, and
- REFCUS separately identified and included in the note on capital expenditure and financing,

The Council's accounting statements for 2021/22 have not yet been published, however the following items were identified in relation to the accounting treatment adopted for the CD in the published (but not yet audited) financial statements for 2020/21:

- The Council has correctly accounted for the CD as REFCUS, but the CD is not separately identified in any of the core statements in the 2020/21 Statement of Accounts. As a material, unusual, and highly complex item of account, separate disclosure is a Code requirement
- Note 5 (Material items) does however state that *"the Council applied £65.8m of Capital monies towards the overspend within its GF Revenue Account as approved by the Secretary of State for Ministry of Housing, Communities and Local Government, as part of the Council's Capitalisation Direction award"*.
- This total of £65.8m is £4.2m different from the CD of £70m approved by DLUHC for 2020/21. Whilst we recognise that the CD approval is an "up to" Direction and the Council is fully entitled to utilise a lesser amount, the financial statements refer to both amounts without explaining the reason for the difference between them
- Accounting policies for 2020/21 do not provide confirmation that the accounting treatment adopted for the CD meets Code requirements.
- There is no reference to either REFCUS in general or to the CD specifically in accounting policy disclosures, but a total of £65.8m is separately identified in the Capital Expenditure and Capital Financing disclosures (CFR - note 32) and in the summary of movements in the Capital Adjustment Account (CAA- note 23), in line with Code requirements
- Although the £65.8m, together with other items of REFCUS totalling £17.2m are referred to in notes 23 and 32, only £68m is identified as REFCUS in the Council's statutory adjustments disclosure (note 7) and it is not clear how the difference of £15m has been accounted for.

As a material item of account in 2020/21, we would expect that:

- If the CD adjustment in the financial statements is significantly different from the amount set out in the Direction for that financial year, the Statement of Accounts should explain why;
- the CD should be disclosed as a separate line item in the Movement in Reserves Statement and included in the disclosure note on material items of income and

expenditure. An example of how these disclosures have presented in other local authority financial statements has been provided to officers.

- the accounting treatment adopted for the CD and for other REFCUS transactions should have been disclosed in accounting policies;
- REFCUS adjustments which include the CD should be consistently stated between the CAA, the CFR and statutory over-ride disclosure notes.

Recommendations

- R1. If the CD adjustment in the financial statements is significantly different from the amount set out in the Direction for that financial year, the Statement of Accounts should explain why.**
- R2. As CD adjustments represent material items of account they should be separately identified in the Movement in Reserves Statement and the material items note.**
- R3. The accounting treatment adopted for material CD adjustments should be set out in accounting policy disclosures.**
- R4. Disclosure notes which reference the CD should be internally consistent.**

4. Capital Financing Implications

As it effectively increases capital spending, the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 require CDs to be financed from permitted sources of capital funding, either external borrowing, capital receipts, capital contributions or direct funding from revenue.

If the CD is financed from external borrowing, Minimum Revenue Provision (MRP) must be set aside in line with current requirements. Statutory Guidance on the MRP (updated 2018) states that “*where expenditure has been capitalised by virtue of a direction under section 16(2) of the 2003 Act... the authority should calculate MRP in accordance with Option 3 (the asset life method), using a maximum asset life of 20 years*”. Croydon’s Direction Letters, received in March 2020 and March 2021, specifically confirm that this accounting treatment should be applied.

The Council’s 2022/23 Treasury Management Strategy (TMS) correctly identifies the CD as an item of expenditure that needs to be financed from capital resources. The TMS does not, however, explain in detail how the CD will be funded or how any MRP arising as a result will be calculated.

Looking at the Council’s more detailed MRP calculations, the following approach seems to have been adopted:

	£m	£m	£m	£m
	2020/21	2021/22	22/23	2023/24
CD applied - year 1	65			
Less: MRP calculated on a straight line basis over 20 years		(3)		
MRP requirement at 1 April 2022			62	
Less: MRP calculated on an annuity basis over 20 years			(2)	
Plus: CD applied - year 2			50	
Less: Capital receipts applied			(62)	
MRP requirement at 1 April 2023				48
Plus CD applied - year 3				25
Less: capital receipts applied				(73)
MRP requirement at 1 April 2024				0

Source: Croydon MRP calculations 2020/21 onwards

This approach is in line with the Regulations, and as it prioritises the use of capital receipts to fund the CD it minimises future MRP charges to the General Fund. However, the total CD requirement of £140m (£65m + £50m + £25m) is £5m less than the CD of £145m approved by the Government and £10m less than the £150m included in the Council’s current Renewal and Improvement Plan.

It is not clear why the Council changed from using a straight-line method as opposed to an annuity method in 2021/22 given that the Council moved to an annuity method for calculating MRP on all other types of unsupported borrowing back in 2015/16. Applying the annuity method to the MRP set-aside for CD adjustments in 2021/22 would reduce the charge to the General Fund by c£1m but, whichever method is adopted, detailed MRP calculations should be consistent with Treasury Management and budget reports.

More importantly, the above calculation assumes that £135m of capital receipts will be available for the purposes of funding the CD between 1 April 2022 and 31 March 2024. This would leave a shortfall of c£10m between available capital receipts and CDs currently approved by the Government, resulting in an additional MRP requirement of, on average c£0.5m pa until 2044.

Using capital receipts to fund the CD is clearly the preferred approach in terms of minimising future debt charges to the General Fund. The Chief Executive has confirmed to us that the Council will prioritise the use of capital receipts to fund current and future CDs, and members have recently approved a more ambitious asset disposal strategy to support this plan.

However, future budget forecasts and financial modelling may need to reflect the fact that if sufficient capital receipts are not generated within relatively short timescales, any CDs not funded from capital receipts would attract MRP at 5% for the next 20 years

Recommendation

- R1. The Council's Treasury Management Strategy should be more transparent about:**
- **how forecast capital receipts are being used to finance different types of capital expenditure,**
 - **how CDs are funded, and**
 - **how MRP charges are being calculated.**
- R2. Detailed MRP calculations should be consistent with Treasury Management and budget reports.**
- R3. The Council is prioritising the use of capital receipts to fund current and future CDs and has recently approved a more ambitious asset disposal strategy to generate additional capital receipts. However, future budget forecasts and financial modelling may need to reflect the fact that if sufficient capital receipts are not generated within anticipated timescales, any CDs not funded from capital receipts would attract MRP at 5% for the next 20 years.**

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LONDON BOROUGH OF CROYDON MANAGING REVENUE BUDGETS

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1. Introduction and Summary

In July 2022, Worth Technical Accounting Solutions Limited were engaged by the London Borough of Croydon to support the Council's "Opening the Books" initiative. This aspect of our work is focussed on:

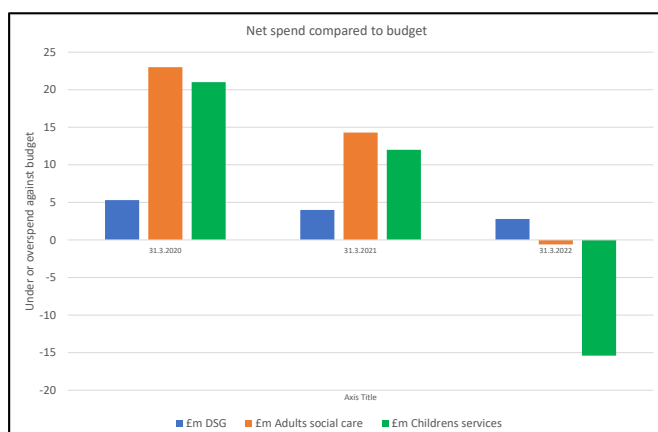
- the management of social care budgets and the Dedicated Schools High Needs Block, and
- risks associated with delivery of financial savings targets included in the current MTFS for 2021- 25.

It supplements our high-level review of the Council's budget setting and financial management arrangements issued on 12th September 2022.

Between them adults and children's services account for almost two-thirds of the Council's net revenue budget requirement for 2022/23. Effective management of these budgets, and successful delivery of identified savings, is key to the Council's financial recovery.

In summary, we found that:

- historically, there has been a disconnect between corporate budget setting arrangements and the day-to-day management of social care services. Many of the previous budgets and savings targets were based on incorrect or out-of-date assumptions which has contributed to, but is not the sole cause of, the Council's current financial challenges
- since April 2021 there has been a systematic improvement in financial management within both adults and children's services. Budgets have been realigned and reset where necessary. As shown below, reported overspending in these services has significantly reduced over the past three years:



Source: LB Croydon published Statement of Accounts and budget monitoring reports

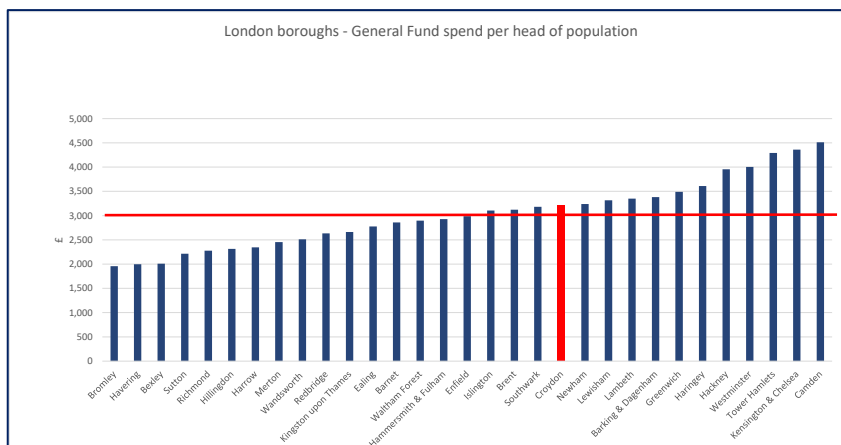
- plans are in place to reduce the annual deficit on High Needs education to zero over time, and DfE have agreed to pay Croydon additional grant funding in relation to accumulated deficits,
- good progress has also been made to date in delivering the current savings requirement for both adult and children's social care.

Whilst there are good reasons for the Council to feel positive about improvements made in these areas since 2021, some new skills and processes still need to become fully embedded in day-to-day service management.

The Council also needs to remain cautious about the potential impact of activity and cost increases and make sure that future years' budgets are based on realistic assumptions about demand levels and unit costs. For example:

- forecast reductions in children looked after placement costs are not in line with national trends across the rest of the UK,
- joint work on demand modelling with NHS services should continue to ensure that current predictions of demand and activity levels in areas such as hospital discharge arrangements and services for children with disabilities are robust, and
- financial modelling is being used to predict the impact of proposed Government changes to adult social care and the Council's progress in this regard is in line with neighbouring local authorities, but current estimates will need to be kept under review and updated as further information becomes available.

Croydon's General Fund Net Cost of Services is, in overall terms, in line with other London authorities. Achieving a sustainable position primarily through efficiency savings might therefore be difficult to achieve:



Source: published Statement of Accounts for 2020/21. Red line denotes the London average.

The services we reviewed had already recognised these challenges and were developing a more transformational approach, by challenging established ways of doing things and current levels of service delivery. For example, the Council has reduced adolescent services, reviewed SEN provision, and is implementing new eligibility criteria for adult social care.

This approach is to be welcomed and should be further developed across all service areas. Longer-term changes will take time to implement but have the potential to generate more significant financial savings in future.

Adult Social Care

After the Section 114 notice was issued in November 2020, significant analysis was undertaken on adult social care services in the borough, supported by the Local Government Association (LGA). This analysis showed that:

- the volumes of activity and the unit cost of adult social care services in Croydon was higher than the average for other London Boroughs, and that
- this was not specifically due to need or demography, but to a combination of historically overly generous care packages (in particular for working-age adults), inconsistent use of eligibility criteria, and a lack of acumen in relation to providers.

The biggest challenge for adults' social care services since then has been to change this historic culture of overprovision, and to set challenging but achievable targets for activity and cost reductions. This cultural change is significant and will take time to implement successfully, but the current aim is to reduce caseload activity to the London Borough average for the 18-65 age range and to the national average for over-65's by 2025.

Continuing caseload analysis and modelling work from 2020 onwards has enabled the Council to arrive at a better understanding of current care costs and to forecast future spending pressures more accurately. Work has also been undertaken to realign social care budgets with current spending patterns, and the Council "reset" the revenue budget with an additional investment of £23m in 2021/22. This has put adult services on a much sounder footing.

Governance arrangements have also been strengthened to improve value for money:

- eligibility criteria have been reviewed to make sure that they are consistent with legislative requirements
- the assessment model has moved to a strengths-based approach, by establishing "what can you do for yourself, and what can family and friends do to help", before considering what should be provided by the Council (rather than the previous starting point of "what support is available")
- the cost of care packages is now agreed at a daily challenge panel, made up of operational heads of service, finance leads, commissioners and brokerage leads
- there is more joint funding in place with the NHS.

We found a strong commitment within the adult services' senior leadership team to delivering MTFS savings. Arrangements put in place include the following:

- a formalised "star chamber" process which is helping to develop a more widespread understanding on efficiencies and savings,
- new methodologies for benchmarking and financial modelling, introduced by the Council but supported and validated by the LGA, have underpinned savings delivery to date and, perhaps even more importantly, have helped to identify where planned savings might not be achieved in practice
- where expected savings have not been delivered, alternative savings plans are being identified and put in place.

Officers commented that there is now greater trust, enabling service departments and finance teams to have difficult conversations but still find ways forward, which has not always been the case in the past.

However, some process weaknesses still need to be addressed. For example:

- new systems introduced since 2020 have brought about a much better understanding of the cost component of social care revenue budgets, but the Council needs to embed the consistent use and application of these systems. This will help to minimise the use of inconsistent datasets and support a better collective understanding of how care charges and service-based grant income affects the net revenue budget and saving requirements.
- corporately delivered performance on invoicing and collecting adult social care recharges needs to be improved.

Good progress has been made to date in delivering the savings targets set out in the 2021-2025 MTFS. At the end of 2021/22 the directorate delivered savings of £11m and underspent against budget by £0.6m. This was largely due to staffing vacancies and savings from reviews of complex care packages (over 10 hours per week).

Other actions taken to date have included the following:

- expiring contracts have been reviewed and renegotiated.
- service delivery has been diversified to ensure residents can access services provided by the voluntary and community sector
- there has been an increased use of Direct Payments (currently 16%), and
- there has been more challenge around who pays for health-related costs and on assessing eligibility for continuing health care funding.

Saving requirements for 2022/23 are predominantly expected to come from reducing demand for services in three key areas – services for older people, for people with disabilities and for people with mental health needs. All existing care packages for these client groups are now being assessed and reviewed.

Looking forward however, the Council needs to remain cautious about MTFS savings delivery. At a local level, savings risks have been identified as follows:

- the level of savings that can be achieved from reviewing less complex care packages is likely to diminish and may not match the level of savings currently estimated or required. What is now being put in place, and what is normal at most authorities, is a strong focus on value for money and an assessment based on need based on reablement, maintaining independence and on providing a level of care which is in line with, but does not go beyond, legislative requirements.
- there are difficulties in the recruitment and retention of all social care staff (including social workers, occupational therapists, commissioners, health and wellbeing assessors). This has led to a significant reliance on agency staff. Although the shortage of experienced social care staff is a national problem it is particularly acute at Croydon where the reputation of the borough is a disincentive when recruiting. Instability in the workforce and capacity issues will potentially impact on both savings delivery and the quality of the service in general, therefore the Council should review its current workforce strategy and aim to become an employer of choice for workers in adult social care. Some of the arrangements put in place by exemplar authorities in this respect are listed in Appendix 1.

- financial modelling is being used to predict the impact of proposed Government changes to adult social care and the Council's progress in this regard is in line with neighbouring local authorities, but current estimates will need to be kept under review and refined and updated as further information becomes available.

External challenges could also lead to increased demand for services and cost increases which are not in the direct control of the Council. For example:

- a new national hospital discharge model is needed but has not yet been agreed or developed. In the meantime, the Council is part of a national pilot on this issue and is working to put local arrangements in place which will provide greater clarity on responsibility for discharge costs and processes
- waiting lists for Occupational Therapy are increasing and this is impacting on hospital discharges and reablement
- there is a national disconnect between care services and the NHS which results in cost shifting and disputes about who pays for continuing health care needs. The Council needs to ensure that healthcare providers and commissioners are fully engaged in caseload modelling and predictions of future demand and make appropriate contributions both to the funding of individual care packages and to the more strategic aspects of service delivery.
- higher than expected rates of inflation, coupled with cost-of-living increases, are likely to significantly increase the cost of both in-house and commissioned care services.

These external challenges will affect all local authorities but given the specific circumstances that exist in Croydon demand modelling and financial planning in these areas needs to be especially robust. Financial modelling needs to be integrated across the Council so that budget planning adequately considers the potential impact that savings in other service areas, particularly housing, might have on the demand for adult social services.

The current MTFs recognises that there is a limit to what efficiency savings are likely to achieve, and that there needs to be a more fundamental examination of the way the Council delivers social care services. This approach has already commenced with the review of eligibility criteria for adult social care, but may well need to be extended. Three other areas in particular have been identified where other local authorities have managed to identify and deliver significant cost savings:

- use of assistive care technology has increased but is still very limited. Extending this approach with an improved reablement offer could generate savings but will need upfront investment
- the Council has increased Direct Payments take-up to 16% which is line with the national average, but some local authorities have managed to increase take-up to over 25% and have found this to be a flexible and cost-effective way of providing care services.
- not much work has been done to date on comparing the cost and quality of different care provider models. Currently care management, hospital discharge and disability services are provided mainly in-house whereas home-based care, residential and nursing care are commissioned. Other local authorities have realised significant

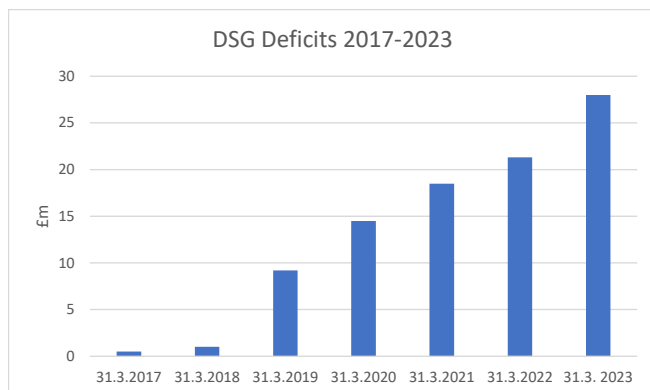
financial savings by changing their commissioning models, although it does take time to evaluate different options and to successfully implement change.

Recommendations

- R1 Improvements to the processes that support budget planning and management in adult social care services should be prioritized, to embed a consistent knowledge and use of systems; therefore minimizing inconsistent datasets, to better support service management and budget setting.**
- R2 Collective understanding about the cost components of adult social care budgets has significantly improved since 2021. This approach should now be extended so that the income element of the budget, particularly care charges and service-based grant income are equally well understood.**
- R3 Financial modelling used to predict the unit cost and demand for social care need to be kept under review to reflect Government changes and should be refined and updated as further information becomes available.**
- R4 Further work on demand modelling also need to be carried out across health and social services to ensure that current predictions of demand and future activity levels are robust.**
- R5 The Council needs to ensure that healthcare providers and commissioners make appropriate contributions both to the funding of individual care packages and to the more strategic aspects of service delivery.**
- R6 Financial modelling should be integrated across the Council, to recognize the potential impact that MTFS savings in other areas of spending (particularly housing) might have on the demand for adult social services.**
- R7 The Council should review its current workforce strategy and ensure that it becomes an employer of choice for adult services.**
- R8 Going forward, the MTFS may need to develop a more transformational approach which builds on the approach already adopted in the recent review of eligibility criteria for adult social care.**

2. Dedicated Schools Grant and High Needs services

In common with many other local authorities, the Council's Direct Schools Grant (DSG) funding position is in deficit, by overspending against DfE grant allocations. This deficit has been increasing over several years, rising from just under £0.5m at 31 March 2017 to (it is currently estimated) over £28m by 31 March 2023.



Source: LB Croydon, published Statement of Accounts plus officers' estimates

This deficit has arisen due to increasing demand for High Needs services, coupled with increasing unit costs for each pupil, not matched in recent years by additional grant funding. However, the Council is starting from a reasonably strong base in terms of service quality. In December 2021, services for children with special education needs (SEND) were inspected by OFSTED, with no serious weaknesses identified. The inspection concluded that *“leaders have a coherent and ambitious plan and are doing the right things in the right order...know what is working and what needs to improve”*.

This is a significant achievement and is an indication that leadership in SEND services is effective. On this basis the Council can be reasonably confident that plans put in place to reduce costs can, in principle, be delivered once they have been agreed.

A plan to reduce the annual deficit to zero has been put in place and DfE have now agreed additional grant funding, via the Safety Valve programme, to fund the accumulated deficit. The existence of a grant funding agreement means that Croydon is better placed than many of its neighbouring authorities. However, it should be also remembered that the current statutory over-ride mechanism, which allows DSG deficits to be carried forward as debit balances on unusable reserves, will expire at 31 March 2025 so any remaining overspends at that point will need to be charged to the General Fund.

To ensure that deficits do not recur in future, the Council has put in place a High Needs Management Recovery Plan. This is based on four key principles, namely:

- introducing peer challenge meetings, regular case reviews and improved authorisation processes to confirm that support packages represent good value for money,
- increasing capacity. Addington Valley Academy is a new school in Croydon which by September 2023 will be offering places for up to 150 local children with autism and other complex needs. The Council is also increasing its take-up of placements at St Nicholas School in Chippenham, by at least 40 and potentially up to 55 additional places over the next five years
- ensuring that where possible, excluded students return to mainstream education, and

- improving educational opportunities for over-16 students through development of the Pathways Programme, in partnership with Coulsdon College.

These initiatives in total are expected to realise savings of up to £4m per annum but require upfront investment of over £2.5m over the next two years.

Detailed implementation plans are a requirement of the Safety Valve funding agreement and are necessary to clarify important issues such as:

- lead officers and accountability
- key tasks and project milestones
- key resource requirements (financial, staffing, IT, and other support requirements)
- expected timescales for delivery of savings and upfront investment.

Other local authorities which have successfully reduced High Needs spending have also found it beneficial to review the following areas:

Accuracy of data systems	The Council has significantly improved data on pupil cohorts, and this has been commended in the recent SEND inspection. Shortcomings in other IT systems are also being addressed.
Improved commissioning	Especially for speech and language therapies (SALT) and non-statutory Alternative Provision (AP) placements
Better contract management	To ensure that: <ul style="list-style-type: none"> • commissioning agreements set out eligibility criteria and the cost and quality of services to be provided, • regular contract monitoring takes place with all service providers

Recommendations

- R1 Implementation of the High Needs Management Recovery Plan (HNMRP) needs to be kept under regular review.**
- R2 Corporate budgets and High Needs Management Recovery Plan implementation plans need to reflect the upfront investment required to realise longer term savings in High Needs provision.**
- R3 Commissioning processes and contract monitoring arrangements should be sufficiently challenging for all service providers, with contract documentation that clearly sets out:**
- the cost and quality of service the Council expects,
 - eligibility criteria, and
 - contract monitoring arrangements.

4. Children's Services

The quality of children's services in Croydon has improved significantly since it was judged inadequate by Ofsted in 2017. In March 2020 these services were reinspected and judged to be Good. It is relatively rare for a children's services department to move from Inadequate to Good in less than three years and this provides a strong indication that leadership in children's services is now effective. Change has been achieved through a combination of factors, including:

- additional financial investment (c£30m)
- changes at senior management level
- establishment of an externally chaired improvement board, and
- responding positively to OFSTED recommendations.

These improvements have been sustained and, in some areas, accelerated in response to the council's financial challenges.

However, this operational improvement has not always been accompanied by transparent financial reporting. Children's Services overspent by £21m in 2019/20 and by over £12m in 2020/21, but in 2021/22 the same services delivered £9m savings and reported an end-of-year underspend of £15.4m against the revised budget.

Since April 2021, the appointment of a DfE-funded accountant with extensive experience in children services, together with significant work undertaken by the finance team and service leads, has led to:

- a better understanding of savings targets and of how delivering these savings might impact on operational service delivery
- a better understanding of how revenue budgets are arrived at, and an enhanced appreciation of the need to provide accurate and up-to-date information for budget setting purposes, and
- an improved approach to modelling and costing current and forecast case numbers. As previously mentioned, there is a need to integrate financial modelling across the Council to recognize the potential impact that savings in other service areas might have on the demand for social care.

Children's services now have more robust performance management arrangements which include a continuous improvement plan, an improvement board, and an annual self-assessment process. However:

- much of the detailed understanding of the revenue budget and savings plans still rests with a small number of individuals so if they leave, there is a risk that future savings may not be delivered in practice. To address this risk, the Council has recently put in place arrangements for the DfE Finance Adviser to provide an additional 12 months to support, to embed their expertise into the Children's Services team,
- some process improvements are only recently established and not yet fully embedded in day-to-day service management.

The CYPE Finance Team (supported by a DFE Finance Adviser) has completed a full rebasing exercise of the children's social care budget in October 2022. This exercise identified that baseline information used to calculate 2021/22 savings targets were not robust, however this exercise has provided a much improved platform for:

- accurately identifying further in-year savings for 2022/23, and
- to inform savings proposals for 2023/2.

The service is currently on track to deliver agreed savings for 2022/23, but 2023/24 savings targets are still being discussed and challenged. For example, the £2m savings target in relation to reductions in care costs may not be achievable, and there may be some double counting between savings already delivered in relation to care costs and services for children with disabilities.

Savings achieved to date have in some cases come from reducing or ending established patterns of service provision. For example, both adolescent services and early help services were reduced significantly between 2021 and 2023. The MTFS for 2021-25 is largely focused however on addressing previous weaknesses in setting and managing the budget, and on delivering savings by:

- reducing placement costs for children in care
- reducing payroll costs by removing a tier of management
- reducing the cost of children's disability services and
- reducing the number of unaccompanied asylum seeker children (UASC).

Each of these four areas has been considered in detail below:

- in 2021/22 the Children Looked After placement budget was increased by £7.4m to offset historic cost pressures, but at the same time the MTFS set a savings target of £3m to be achieved by 2025. The number of children in care has fallen significantly since 2019 and the weekly cost of care placements is now well managed, so officers are confident at present that this level of saving can be maintained. However, the number of children in care in England is increasing so the current assumption, that the costs relating to childcare placements in Croydon will drop by almost 10% between now and 2025 may be unrealistic.
- the Council is heavily dependent on the independent foster care market and there is a strong likelihood that the cost of these placements will increase. Typically, independent foster care costs 40-50% more than in-house care. The Council has a good sufficiency strategy in place for foster carers and a transformation project to increase in-house foster care is planned for 2023-24.
- a workforce modelling exercise in 2021 revealed that revenue budgets were not aligned to the current staffing establishments for Children's social care services. Work is underway to review all current posts, remove those that are no longer needed, and adjust budgets to actual salary levels rather than assuming that all staff are paid at the top of the relevant grade. Going forward, the Council needs to ensure that staffing this data, most of which is currently maintained on spreadsheets is securely stored and updated regularly so that HR, payroll, finance and children's

services all use accurate and consistent data on staffing structures, pay rates and salary costs

- At the end of 2020/21 the Transition Service for young people aged 18-25 was transferred to Adult Services and the budget for the 0-17 CWD service was increased by £2.4m. The MTFs requires the service to achieve a total saving of £0.4m by 2025, mainly by providing more home-based care and reducing residential spend. The current Short Breaks service is also under review but as CWD numbers are increasing nationally, the Council needs to take account of the potential impact this will have on future demand for services. Further work on demand modelling needs to be carried out across both health and social care services so that a joint approach with the NHS can be developed.
- Croydon has had historic challenges in relation to UASC which resulted in significant budget pressures in recent years. One of the national asylum intake units is situated in the Borough, and the Council has a statutory responsibility for the care and support of unaccompanied children arriving there. Dispersal is now mandated nationally, with most UASC now placed in other parts of the country, so in future Croydon should only have the same scale of challenge as everywhere else, but currently 58% of looked after children are former UASCs and it will take some years before this level reduces that of other local authorities. Following receipt of a one-off grant from Government during 2021/22 and a reduction in UASC clients in 2022/23, however, budget pressures arising from new (as opposed to existing) UASC should now be reduced.

The current MTFs is very much focussed on areas where the Council has experienced overspending in the past. Whilst it was undoubtedly sensible to tackle these issues initially, three other areas might also benefit from further review:

- early help is underdeveloped and potentially under-utilised. More focused and better resourced early help and intervention should reduce demand for care placements later.
- there is Direct Payment policy in place for the 0-17 CWD service, but current take-up is relatively low. Expanding the use of Direct Payments may lead to additional costs initially, but many authorities have found that over the longer-term these schemes do realize financial savings.
- in common with many other local authorities, the Council has a lot of agency workers, and recruiting more permanent staff would reduce the overall pay bill.

Actions taken by other authorities to recruit permanent staff and reduce their reliance agency workers for social care are set out in Appendix 1, and the Council has already taken steps to implement this approach by:

- establishing a local Social Workers academy
- offering Step Up and Social Work placements and apprenticeships, and by
- developing strong and proactive links with Kingston University.

Together with refreshing the remuneration offer, overseas recruitment and other initiatives, the service has recruited 32 new permanent posts over recent months, and the agency take-up rate reduced from 30% in September 2021 to 20% 12 months later.

Recommendations

- R1** The Council has significantly improved its understanding of how demand for services influences the revenue budgets in Children's services, but it needs to keep forecasting models under review. For example:
- forecast reductions in placement costs for children in care are not in line with national trends across the rest of the UK,
 - nationally, increases in reported numbers of children with disabilities (CWD) are also anticipated and the Council needs to work closely with local health services to model expected future demand
 - demand is also increasing for statutory child protection and safeguarding services, which needs to be recognized in future budgets
 - there needs to be a greater understanding about the impact that financial savings made in other parts of the Council, especially housing and homelessness services, might have on demand for children services.
- R2** Recent improvements made in the working relationships between Children's services and the corporate finance team, and in the processes put in place to support effective budget management, need to become fully embedded in day-to-day service delivery. To facilitate this process, the Council has contracted directly with the DfE Financial Adviser for a further 12 months' support which should facilitate embedding their expertise into the Children's Services team.
- R3** The Council should ensure that information in relation to staffing, budget management and forecasting is accurate and up-to-date, and is embedded in accessible and user-friendly systems so that common data sets can be shared between Children's services and support functions such as HR, payroll and finance.
- R4** The Council should consider strengthening early help and prevention services, to help reduce demand for care placements in the borough.
- R5** There is a well thought through sufficiency strategy for foster carers in the borough, and a transformation project to increase in-house foster care is now in place for 2023-24. A move to more in-house foster care could potentially reduce placement costs by 40 – 50%, so delivering this strategy should be a Council priority.
- R6** There is now a Direct Payment policy for the 0-17 CWD service, but take-up is relatively low and could be expanded.

Appendix 1 – Workforce Planning

Nationally, the social work profession is in crisis with more leavers than starters and more reliance on agency workers than ever before. This drives up cost and creates gaps and instability. In common with many other local authorities, Croydon is heavily dependent on agency staff. Arrangements put in place by exemplar authorities to help make them become an employer of choice include the following:

- slick practice in relation to marketing with a very flexible approach to responding to interest/applications
- having a dedicated role in the service with responsibility for attracting interest, proactive responses to any indication of interest, support in the application process,
- immediate interviewing and job offer,
- proactive pursuit of preemployment checks,
- continuous engagement with the new starter before day one to make sure they get staff newsletters, invitations to key events, and a prestart day welcome event to meet the team and their new boss,
- well organised induction on day one,
- post induction debriefs to examine "what did we do well what could we do better?"
- work protection until people are up to speed, monthly mini appraisals,
- good CPD and training arrangements.
- competitive conditions of service
- flexible working arrangements such as holiday bank and working from home,
- good use of programmes such as Step up to social work.
- proactive engagement with universities
- develop a social work academy to provide enhanced learning and recruitment opportunities.

The Council is already taking steps to implement this approach through the local Social Workers academy, by offering Step Up and Social Worker placements and apprenticeships and through strong and proactive links with Kingston University.

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LONDON BOROUGH OF CROYDON BUDGET SETTING AND FINANCIAL MANAGEMENT

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1. Introduction and Summary

In July 2022, Worth Technical Accounting Solutions Limited were engaged by the London Borough of Croydon to support the Council's "Opening the Books" initiative. This work included a high-level review of the Council's budget setting and financial management arrangements. In summary, we identified that:

- budget setting spreadsheets were over-complicated and difficult to understand,
- 2023/24 budget reports should provide clearer and consistently presented information to decision-makers,
- savings plans should be rationalised and consolidated. All savings plans over £0.5m should have detailed business cases which are subject to robust scrutiny before being included in the budget, and
- there should be clearer links between items classified as transformation costs, savings plans and approved transformation initiatives.

We also recommended that:

- in the short term, all proposals for avoidable revenue growth should be re-considered,
- financial modelling should, as soon as possible, firm up estimates for spending pressures already identified but not yet quantified,
- financial modelling should also incorporate the correction of historical accounting issues as well as new financial risks,
- section 25 reports should be expanded to report specifically on the adequacy of General Fund balances and any proposed transfers to and from reserves,
- levels of reserves and balances must be accurately reported to members and kept under regular review,
- if a significant shortfall in General Fund balances is identified, the Council should as a priority either develop plans for bridging the gap or consider the need to request additional Government support

Looking forward, the Council should develop more ambitious improvement plans which deliver financial savings by reducing some elements of service provision and rationalising the current asset base. Whilst we have seen some good examples of transformation work in specific areas, there is scope for this approach to be developed and extended.

Since our initial review was completed, the Council has moved forward in a number of areas, which is to be welcomed. These include the following:

- the Mayor's business plan now includes specific objectives to "do less and do it better", and to tackle current financial challenges as a priority
- members have also approved more ambitious asset disposal plans,
- Treasury Management and capital investment plans are being reviewed with a view to minimising new borrowing
- the Council now reports monthly on levels of reserves and balances
- new financial models for budget-setting have now been developed and introduced.

We understand that the Council is now forecasting a balanced budget for 2022/23. In view of expected financial pressures identified for 2023/24, however, a Section 114 Notice was issued in November 2022, which (it is anticipated) will be followed by a further request for CD support.

2. Budget setting and medium-term financial plans

At Croydon, the Corporate Finance Team use a spreadsheet-based system to record and model the key financial assumptions which underpin annual budgets and medium-term financial plans. In our view this spreadsheet is over-complicated and difficult to understand, with 64 columns, over 470 rows and (currently) 24 separate iterations to monitor changes over time. We have provided the Council with examples of budget setting spreadsheets which are simpler and easier to use, and can be more readily summarised in financial reports to senior management and elected members.

The Council's current approach to budget setting and financial management is to focus on cost growth, funding changes and savings delivery, as set out in Appendix 1. We agree with this approach in principle, but the spreadsheet used to generate and model key financial information does not record these three different types of budget pressure consistently, and this lack of transparency is reflected in reports to members. For example:

- some items included in cost growth are in fact undelivered savings, but the 2022/23 budget report does not clearly set this out
- some funding increases e.g. New Homes Bonus, are included as savings, even where they are matched (or even exceeded by) expected spending
- changes to the Local Council Tax Reduction Scheme Support, which generated an additional £4.4m of income, was included as a saving, not as additional funding
- use of reserves and contingency budgets are recorded as either savings or growth
- some savings are matched by growth which makes both items seem larger than they really are and makes the spreadsheet harder to follow e.g. in Children's Services, re-focussing £0.3m of Public Health Grant funding is included as both a saving and as budget growth, as is £0.9m grant funding for Fair Cost of Care

In our experience, local authorities find it most helpful to clearly differentiate between cost growth, funding changes and savings delivery. These three categories of budget pressure can then be separately and consistently identified in financial modelling, annual budgets and in-year monitoring reports, which improves transparency.

Although we found the 2022/23 budget report to be comprehensive in scope, some of the detailed information was not clear. For example:

- we were unable to reconcile appendix B, which sets out the growth and savings proposals at Directorate level, with the summary of growth and savings included in the budget report itself
- we identified some instances of appendices including incorrect or out of date information, which raises concerns about version control and the quality of the consistency checks being carried out before key financial reports are being presented to members.

Going forward, 2023/24 budget reports should provide accurate and consistently presented information to decision-makers, with:

- key messages for members highlighted in the summary report and clearly spelled out in non-technical language
- savings and growth figures for each Directorate set out in separate appendices so that savings can be tracked more easily during the year
- assumptions about funding changes also dealt with in separate appendices, and
- control totals, consistency checks and version control techniques used to ensure that all of the appendices are consistent with the summary budget report.

By utilising a £145m Capitalisation Direction (CD) from the Government, the Council has been able to cover 2020/21 overspends, reinstate General Fund balances (see section 3), and to set balanced budgets for 2021/22 and 2022/23. Looking forward, work is currently under way to review key financial assumptions and to update the Council's medium-term financial plans.

As a minimum, financial plans should be extended to 2025/26 with the assumptions underpinning these plans updated and included in 2023/24 budget reports. Preparatory work for 2023/24 also needs to ensure that base budgets are correct for all key service areas. For example:

- some budgets, for example Housing Benefits, are clearly under-funded with no chance of delivery and have longstanding issues which need to be properly addressed
- some service areas which delivered under budget in previous years do not seem to have experienced corresponding reductions to funding in 2022/23.

Financial modelling completed to August 2022 had identified budget gaps currently estimated at £52m, although some cost pressures are still being quantified. For example:

- little work had been done on 2024/25 growth and savings
- financial modelling had been undertaken in response to proposed Government changes on funding for adult social care, in line with neighbouring local authorities. However this is a developing area and current estimates will need to be updated and refined as further information becomes available
- some accounting issues relating to Brick by Brick and Croydon Affordable Homes had not yet been addressed, and
- Minimum Revenue Provision (MRP) calculations were being reviewed.

In addition:

- interest rate charges are likely to increase significantly above the assumptions set out in the Council's Treasury Management Strategy for 2022/23
- some revenue costs have been incorrectly capitalised as Transformation expenditure, and
- budget reports have identified that some savings plans are unlikely to be achieved.

Any assessment of budget pressures will inevitably change over time as circumstances develop, but as a first step all financial modelling, and reports to members, need to include a comprehensive and realistic assessment of all spending pressures currently identified. Reports to senior officers and members also need to be clear about:

- spending growth which is beyond the Council's control, such as interest rate increases and changes to pension fund contribution rates. Budget reports should include a realistic assessment of the potential impact that unavoidable cost increases will have on future spending plans
- current cost pressures which have resulted from accounting errors, or incorrect decision-making, in previous years,
- demand-led growth in social care services and increases in items such as utility costs, which cannot be avoided altogether but can be managed and, to some extent, controlled. For example, in the light of recent fuel cost increases, many authorities are putting in place detailed energy management plans. The Council does have a number of energy management initiatives, including a 12-month street lighting pilot, but could be developing more comprehensive plans for managing utility costs down to minimum levels.
- council-led increases such as IT projects and regeneration initiatives. Until the Council's financial position improves, council-led growth should be kept to a minimum.

Adopting this approach should help the Council to make a more accurate assessment of potential reductions in General Fund balances and the possible requirement for further CD support.

Recommendations

- R1 Budget setting spreadsheets and financial modelling tools should be understandable by staff outside the corporate finance team, easy to use and maintain, and link back readily to Council reports.**
- R2 Financial modelling and budget reports should be clearer about anticipated growth, funding changes and expected savings and should ensure that this information is accurately and consistently presented to decision-makers.**
- R3 2023/24 budget reports could be made easier to understand by:**
- **highlighting key messages for members in the summary report**
 - **setting out savings and growth figures separately**
 - **setting out assumptions about funding changes in appendices, and**
 - **ensuring that all appendices are consistent with the summary report.**
- R4 Financial modelling already underway to quantify budget gaps for 2023/24 and future years should, as a minimum, be extended to 2025/26 and the updated assumptions underpinning these plans should be included in budget reports.**
- R5 Financial modelling should take account of account of all cost pressures identified, including historical accounting issues and new and emerging financial risks.**
- R6 2023/24 budget reports need to be clear about unavoidable spending growth and the plans in place to manage demand-led items e.g., social care and utilities budgets, down to unavoidable levels.**
- R7 Until the Council's overall financial position has stabilised, any other proposals for revenue growth should be reconsidered, unless there is a clear expectation that these can generate additional savings.**

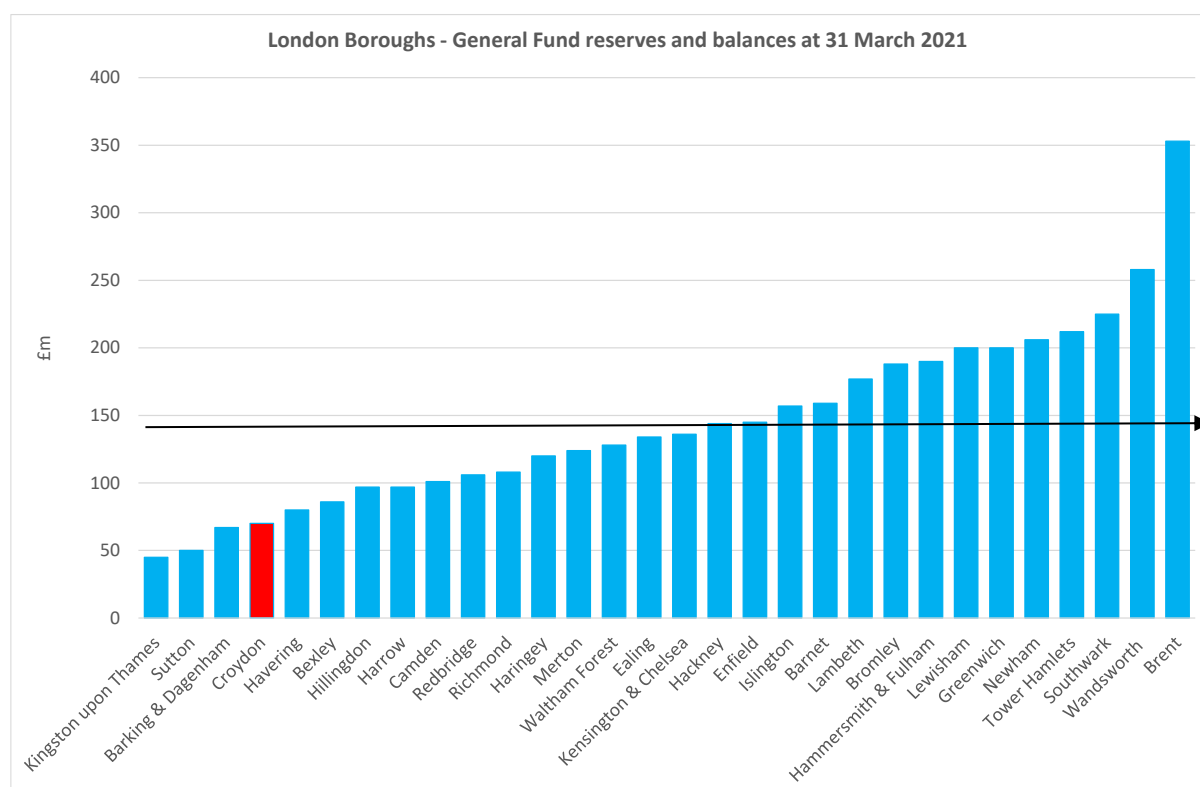
3. General Fund reserves and balances

Obtaining a CD has enabled the Council to reinstate General Fund reserves and working balances. The Statement of Accounts reported General Fund balances of £70m in total at 31 March 2021, comprising:

- £27m working balances, and
- £43m earmarked reserves.

The Council's 2021/22 outturn report to Cabinet (14 September 2022) confirmed that the in-year underspend of £2.4m would be added to General Fund working balances, creating a total of £30m at 31 March 2022.

This represents a significant improvement on the position at 31 March 2020 when the Council only held £5m in General Fund reserves in total, but £72m is still well below the average of £140m for London authorities at 31 March 2021, as shown below:



Source: published financial statements for 2020/21. Excludes Westminster and City of London councils whose reserves are so large they distort the analysis. Croydon is highlighted in red, and the black line represents the Council average.

There is no set formula for calculating appropriate levels of General Fund working balances but the s151 officer must be satisfied that they remain sufficient to cover budget overspends and other contingencies. [CIPFA research on reserves](#) indicates that at 31 March 2021 local authorities were holding between 5% and 10% of their net revenue expenditure as General Fund working balances. With a net cost of services of c£325m in 2020/21, equivalent figures for Croydon would be between £16m and £32m.

The reported General Fund balance of £30m at 31 March 2022 sits comfortably within this range, but we have seen no evidence of the Council's rationale for setting working balances at this level.

The Council's 22/23 budget specifically included a commitment to increase, if possible, General Fund working balances and reserves but as the position may change considerably during the current financial year, it is imperative that the expected level of General Fund balances at the year-end is accurately reported to members and kept under regular review.

Under section 25 of the Local Government Act 2003 there is a requirement for the Council's section 151 Officer to report specifically on the adequacy of the proposed level of reserves. Croydon's section 25 report for 2022/23 was included in the budget setting papers and refers to:

- a number of financial risks currently facing the Council, although some new and emerging risks were not referred to, and
- the possibility of a further CD request, additional asset sales, or the use of reserves balances, potentially being necessary to secure financial resilience going forward.

The section 25 report also included reference to the Council using capital receipts to fund the CD and to reduce borrowing levels. Given that CDs to date total £145m, expected asset sales are only £135m, and the Council also seems to be assuming that Transformation costs will be funded from capital receipts, the necessity of embarking on a much more ambitious disposal programme may be more immediate than this report suggests.

To meet current legal requirements, future section 25 reports should include clear statements about the following:

- expected levels of General Fund reserves at 31 March each year,
- how much of this total amount is to be retained as working balances,
- confirmation that this expected level of working balance is adequate,
- confirmation that working balances will be cash backed,
- whether or not any new earmarked reserves are to be established, and
- expected transfers to and from earmarked reserves.

Given its importance to the Council, having a stand-alone section 25 report might also be beneficial and we have provided officers with examples of such reports for information.

Monthly Monitoring Reports should also set out movements in General Fund reserves and balances during the year so that members are made aware of any changes as soon as they are identified and not just at the year end. These forecasts should be comprehensive and realistic and should reflect all of the spending pressures identified in section 3 above where these impact on General Fund balances and reserves.

More regular and more transparent reporting on forecast levels of General Fund balances would highlight any significant shortfalls at an earlier stage. This would enable the Council, as a priority, to either develop plans for bridging the gap, or consider the requirement for further Section 114 Notices and requests for additional Government support.

Recommendation

- R1** Section 25 report should present a realistic assessment of the Council's current and expected financial position, and should be expanded to comply with the Local Government Act 2003 by reporting specifically on:
- expected levels of General Fund balances and reserves,
 - all identified spending pressures (which should be quantified),
 - the s151 officer's opinion on the adequacy of those balances,
 - the split between earmarked reserves and working balances,
 - confirmation that working balances will be cash-backed,
 - any new earmarked reserves which need to be established, and
 - any proposed transfers to and from earmarked reserves.
- R2** To provide additional context for decision-makers, the section 25 report could also include information on levels of General Fund balances at neighbouring authorities, and CIPFA guidance on setting levels of balances and reserves.
- R3** Monthly budget monitoring reports should clearly set out the Council's target level of General Fund working balances and compare this to expected balances at the year end. If a significant shortfall is identified, the Council should as a priority either:
- develop plans for bridging the gap, or
 - consider the requirement for additional Government support.

4. Savings delivery

The Council currently has over 200 separate savings plans ranging from just £1,000 to c£10m. Each identified saving has a supporting document to explain what the saving relates to, but only a limited number have detailed business cases or identify the costs involved in achieving the savings anticipated. Savings delivery is key to the Council's financial recovery, so as a priority, savings plans need to be clear, comprehensive, realistic and up-to-date.

The savings schedule is large, confusing, and difficult to manage, which inhibits wider understanding and ownership of savings plans. We also found examples of duplication in the savings schedule, e.g., there are 10 separate savings targets for reducing homelessness and for reducing the costs of temporary accommodation. Current savings plans should be consolidated, with any duplication removed,

The approach to savings in the main is target driven, which means that in some areas it is difficult to determine how the saving is going to be delivered. Not all savings plans are clear about which individual member of staff is responsible for delivering them, which significantly reduces the likelihood of any real savings being achieved.

As a starting point a target-based approach is reasonable, but care must be taken to ensure that all savings included in the budget are deliverable and realistic. Recent budget reports have identified that a significant number of savings plans included in the 2022/23 budget are unlikely to be achieved because they represented either:

- top-down targets agreed by individuals who have now left the Council
- cross-cutting savings not allocated to specific individuals or departments
- adjustments that simply net down identified growth, and
- technical adjustments used as mechanism to balance the budget rather than make real efficiency savings or reductions in services.

Some specific examples are listed below:

- a 100% forecast increase in parking enforcement income (over £3m) is not supported by detailed implementation plans,
- 10 separate savings plans are aimed at reducing the cost of temporary accommodation but mostly appear to be duplication of the same or similar initiatives, and
- increasing digital service capacity is presented as a £3.0m reduction in ICT costs. In fact, these represent saving from reducing staffing across the Council which have not been quantified or agreed by Directorates where the reductions need to occur and therefore do not currently seem to be achievable.

Other examples are provided in section 2.

We recommend that all savings plans have nominated "owners" who are responsible for delivering the savings identified within specified timescales. Larger savings plans, say over £0.5m, should be supported by detailed business cases which are subject to robust scrutiny before being included in the budget and which include a realistic assessment of any additional cost requirements.

We have found at other local authorities that overview and scrutiny committees have a useful role to play in this regard by:

- challenging the realism of potential savings plans
- assessing the impact that identified savings will have on service delivery and Council functions, and
- monitoring delivery of agreed savings plans.

Given the Council's current financial position, its approach to identifying and delivering savings may well need to be more radical in the future. Financial information taken from the Council's 2022/23 budget report and set out in Appendix 1 suggested that in both 2023/24 and 2024/25 there was an expected net growth position of £10m and almost £14m respectively. To successfully address its financial challenges, the Council should be aiming to reduce net growth in revenue services.

This re-balancing cannot be achieved through efficiency savings alone, therefore the Council needs to embark on a more fundamental review of the services it is providing and what these cost. We have seen some good examples of transformation work in specific service areas, for example SEN provision, youth services and adults social care. However, this approach is not yet widespread across all Council services and needs to be developed and extended, for example by:

- challenging any provision of non-essential services, or services to non-priority groups
- identifying more cost-effective delivery models for essential services
- reducing the size of the capital programme so that it just provides for schemes covered by grant income or emergency health and safety works, and
- reducing the Council's existing asset base, which would not only generate capital receipts to reduce borrowing but could also significantly reduce maintenance, repairs, and utility costs.

Recommendations

- R1 Current savings plans should be rationalised and consolidated, with any duplicated items removed. All savings plans should have nominated "owners" who are responsible for delivering the savings identified within specified timescales set out in budget reports.**
- R2 Larger savings plans, say over £0.5m, should have detailed business cases which clearly identify the cost of delivering these anticipated savings, and are subject to robust scrutiny before being included in the budget.**
- R3 Progress on the delivery of major savings initiatives should be regularly reported to members in addition to progress in delivering target savings overall.**
- R4. The Council has successfully implemented transformational change in a number of areas but may need to extend this approach in order to develop more ambitious savings plans.**

5. Transformation costs

Directions and statutory guidance from the Government, first published in 2016, permit local authorities to use capital receipts to fund the revenue costs of projects that will:

- reduce costs,
- generate additional income, or
- support a more efficient provision of services.

Guidance on what does (and does not) qualify as eligible expenditure is provided on:

[Guidance on flexible use of capital receipts - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/guidance-on-flexible-use-of-capital-receipts)

Over £30m of staff costs and IT-related expenditure has been assumed by the Council to be transformational and therefore included in capital rather than revenue budgets between 2022/23 and 2024/25. Some of these items of expenditure clearly represent activities which are not transformational. For example, the Croydon Digital Service Team are providing an ongoing service that does not fit the definition of transformation but the costs of this team (£0.5m per annum) are being accounted for as capital expenditure.

The Council's external auditor (Grant Thornton) has also commented that the link between some items of Transformation expenditure, and the financial savings or service improvements generated, is not clear.

The approach to using transformation funding appears in some cases to be tactical rather than strategic, aimed primarily at transferring revenue costs into capital budgets rather than improving the financial position of the Council overall. Officers have explained that these were largely historical decisions and work is now under way to remove these items from capital budgets.

Looking forward, the Council needs to put in place a much clearer process for identifying and accounting for transformation costs, which:

- demonstrates a clear link between the items of expenditure capitalised, schedules of identified savings and transformation initiatives which are actually taking place
- only accounts for transformation costs as capital expenditure where they meet Government guidance criteria in full.

Any ICT costs which meet the definition of intangible assets should be capitalised and financed from borrowing in line with Section 4.5 of the CIPFA Code of Accounting Practice. Other costs should be charged to revenue budgets as appropriate.

It should also be borne in mind that:

- Government Guidance updated in August 2022 clarifies that the capital receipts used to finance Transformation costs must be *“derived from asset disposals by the local authority outside the “group” structure”*. The wording of the Guidance suggests that this interpretation should have been placed on all Transformation funding capitalised since 2016. As we understand that the Council may have used intra-group capital receipts (from Croydon Affordable Homes) to finance Transformation costs in previous years. This accounting treatment will need to be revisited.

- any Transformation costs which are capitalised must be met from capital receipts and not from borrowing. The Council has recently approved more ambitious asset disposal plans, with a view to ensuring that sufficient capital receipts are generated to finance not only capitalised Transformation costs but also current (and any future) CD support.

Recommendation

- R1. The Council needs to put in place a much clearer process for identifying and accounting for Transformation costs, which only treats such costs as capital expenditure where they meet Government guidance criteria in full.**
- R2. To meet current Government guidelines, the Council should also ensure that any Transformation costs which are capitalised are financed from capital receipts and not borrowing.**

Appendix 1 – Approved Budget 2022/23 and current financial plans

Approved Budget 2022/23 and current plans 2023/24 - 2024/25				
Savings Proposals	2022/23	2023/24	2024/25	Total 22/23-24/25
	£m	£m	£m	£m
Children, Young People & Education	(9.5)	(3.1)	(1.6)	(14.2)
Adult Social Care & Health	(16.4)	(9.7)	0.0	(26.0)
Housing	(2.9)	(1.9)	0.0	(4.7)
Sustainable Communities, Regeneration & Economic Recovery	(12.4)	(4.4)	0.0	(16.8)
Assistant Chief Executive	(8.3)	3.3	(2.3)	(7.3)
Resources	(2.9)	(2.0)	(1.6)	(6.5)
Corporate	(27.8)	3.8	1.0	(23.0)
Total	(80.1)	(14.0)	(4.5)	(98.6)
Growth Proposals	2022/23	2023/24	2024/25	Total 22/23-24/25
	£m	£m	£m	£m
Children, Young People & Education	0.0	0.0	0.0	0.0
Adult Social Care & Health	8.5	6.9	0.7	16.2
Housing	2.1	0.0	0.0	2.1
Sustainable Communities, Regeneration & Economic Recovery	7.4	0.9	0.0	8.2
Assistant Chief Executive	1.5	(0.3)	0.0	1.2
Resources	0.3	0.0	0.4	0.7
Corporate	55.8	29.2	20.4	105.3
Total	75.5	36.7	21.5	133.7
Net Directorate Savings/Growth	(4.6)	22.7	17.1	35.1
Funding	(12.7)	(5.8)	(3.2)	(21.7)
Net Position	(17.4)	16.9	13.9	13.4
Reserves Movement	(7.6)	(6.9)	0.0	(14.5)
Approved Budget 2022/23 and current plans 2023/24 - 2024/25	(25.0)	10.0	13.9	(1.1)



REVIEW OF
CAPITAL SPENDING PLANS
TREASURY MANAGEMENT
STRATEGIES
DEBT CHARGES AND BORROWING

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1. Introduction and Summary

In July 2022, Worth Technical Accounting Solutions Limited was engaged by the London Borough of Croydon (“the Council”) to review the Council’s Treasury Management Strategies and capital spending plans as part of its ongoing “Opening the Books” review. Our work also compared the Council’s current borrowing levels and spending plans with other London authorities.

Our initial review was carried out in July and August 2022, and this report sets out our findings and recommendations at that time. In summary, we identified that:

- The process for prioritising capital expenditure and in particular for revisiting planned capital expenditure in the light of the Council’s current financial challenges needs to be reviewed. Restricting future levels of capital expenditure to essential items only would reduce pressure on future revenue budgets in terms of both debt charges and premises costs
- The Council should also take steps to reduce its dependence on borrowing to fund capital investment, by identifying sources of non-government grant funding, and generating additional capital receipts from asset sales,
- Although the Council had recently implemented an asset disposal strategy, this could be much more ambitious and there is scope to use capital receipts from sales of operational assets to reduce loan borrowing, fund recent Capitalisation Directions from the Government, and finance essential capital spending plans
- Historic reliance on external borrowing to fund ambitious capital spending plans means that the Council now has significantly higher levels of external loan debt than other London authorities. High levels of short term, variable rate borrowing represent a particular risk given expected increases to interest rates over the next 2-3 years. Driving down borrowing and interest charges should be a key priority for the Council.
- Current capital spending plans, treasury management and investment strategies do not meet CIPFA and Government guidance. These are key policy documents which need to be more transparent about future capital spending plans, how these plans will be funded, and the potential impact of current spending plans on revenue budgets going forward.
- Investment strategies and out-turn reports should set out actual and expected returns for all types of investment activities, including commercial property, council-owned companies, and third-party loans.
- MRP policies needed to be reviewed, to ensure that they reflected current Government guidelines and were consistently reflected in both detailed calculations and budget reports.

Since our initial review, the Council has taken steps to review both MRP calculations and its capital investment plans. Elected members have also approved much more ambitious asset disposal plans, in order to reduce premises costs and to generate additional capital receipts.

2. Capital spending plans

1. CIPFA's Prudential Code and Treasury Management Code require local authorities to publish both a capital strategy and a capital budget, following their approval by elected members at the start of each financial year. Both documents are considered in turn below.
2. The purpose of the capital strategy is to set out the long-term context within which investment decisions are made, giving due consideration to risk, reward, and the Council's priorities. The Council's Capital Strategy is set out in Appendix A of the Treasury Management Strategy (TMS), but at only two pages long this falls well short of the expectations set out in the Prudential Code. CIPFA have published Guidance on drafting the capital strategy which includes worked examples. Two good examples in London are Waltham Forest and Westminster, see links below:

[LB Waltham Forest Capital Investment Strategy 2021/22 to 2026/27](#)

[Westminster City Council Capital Strategy 2022/23 to 2026/27](#)

3. The purpose of the capital programme is to set out in more detail the major items of investment planned for each financial year, alongside expected cost and anticipated funding. Para 54 of the Prudential Code requires local authorities to report an estimate of the total capital expenditure for the current year and forthcoming next two years.
4. The Council did prepare a 3-year rolling programme for General Fund and HRA capital budgets in 2021. This covered the period from 1 April 2021 to 31 March 2024 and was approved by Full Council on 8 March 2021. Two points arise:
 - Whilst the three-year programme reported meets the minimum requirements of the Prudential Code, many local authorities operate a 5-10 year planning horizon; and
 - Although the 2022/23 TMS refers to a revised capital programme, it is not clear how (or when) these changes were approved by elected members as an updated capital programme was not presented to either Cabinet or Full Council alongside the 2022/23 revenue budgets and TMS in March 2022.
5. The HRA Business Plan approved by Cabinet on 21 March 2022 does however include a one-year budget for capital works of £23.6m. This is a reduction of £3.3m (over 12%) compared to the original budget of £26.9m approved in March 2021. At c2% of the net book value of Council dwellings, the revised budget represents a relatively low level of investment in the housing stock – at many other councils this figure would be between 5% and 10%. Although we understand that most of the housing stock already meets the Decent Homes Standard, lower capital investment at this stage may lead to pressure on HRA repairs and maintenance budgets in future years.
6. As discussed above, the status of the 2022/23 General Fund capital programme at the time of our initial review was not clear, however information presented to members in the 2022/23 TMS suggested a significant increase in planned capital spending.

7. It was not clear from our review of Cabinet reports how capital spend is prioritised or whether projects previously approved by members have been revisited in view of the Council's current financial position. For example:
 - we were not clear about whether the spending controls which were initiated following the s114 notice are being applied to capital as well as revenue spending.
 - many local authorities operate "gatekeeping" systems whereby proposals for new capital projects are prioritised based on value for money, potential for revenue savings or contribution to Council priorities.
 - one Council currently in receipt of exceptional financial support is specifically restricting capital expenditure to essential maintenance works and grant-funded projects only. Another restricts borrowing to essential capital works.
8. As the Council is currently facing exceptional financial challenges, a significant increase in spending on new capital projects at this time would not be expected.
9. Historically, the Council's General Fund capital investment programme has largely funded from external or unsupported borrowing. However, the Council has recently approved a more ambitious asset disposal strategy aimed at realising capital receipts to:
 - fund capital investment,
 - repay loan debt,
 - finance Capitalisation Directions, and
 - finance capitalised Transformation costs.
10. Looking forward, the 2023/24 Treasury Management Strategy should be consistent with this new asset disposal strategy and clear about the intended use of future capital receipts income. It should also set out clearly the risks associated with any failure to generate expected asset sales and the assumptions underpinning expected capital funding streams.
11. Currently, all of the assumed grant funding in capital spending plans is expected to come from central government and there is no evidence of the Council successfully accessing funds from other funding agencies or charitable trusts. Many local authorities would expect a significant proportion of capital funding to come from these sources and devote considerable staff resource to identifying suitable projects and bidding for available funds. Alternatively, other councils have a policy of supporting community groups to access project-based funding not available to local authorities.

Recommendations

- R1. The Council should develop a Capital Strategy in line with the current requirements of CIPFA's Prudential Code. This Strategy should clearly set out how capital investment is prioritised and include a requirement for projects previously approved by members to be revisited in the light of the current financial position.**
- R2. An updated version of the rolling three-year capital programme should be presented to members for approval as part of 2023/24 budget reports.**

- R3. The Council's TMS should set out the assumptions and key risks underpinning expected changes to capital funding streams.**
- R4. The Council should aim to reduce its dependence on borrowing to fund capital investment, by:**
- **identifying sources of non-government grant funding, and**
 - **generating additional capital receipts from asset sales.**

3. Treasury Management Strategies (TMS)

1. Treasury Management Strategies should bring together all of the Council's non-revenue spending plans and should explain, clearly and unambiguously, how these plans are to be financed, and the ongoing revenue implications of these plans.
2. The TMS needs to be consistent with the capital programme and capital strategy approved by elected members, to ensure that:
 - legislative capital financing requirements are complied with,
 - key financial indicators (Prudential Indicators) are correctly calculated, and
 - financial resources are available to fund capital investment as and when required.
3. We have already highlighted that the 2022/23 TMS seems to include some changes to Council's capital spending plans not separately approved by members. We also identified some inconsistencies within the 2022/23 TMS itself.
4. Potentially these discrepancies mean that the Council's CFR and Key Prudential Indicators may be incorrectly calculated. This creates a risk that the Council could be over-borrowing and may not be able to afford increased debt charges as a result.
5. There are no performance indicators included in the 2022/23 TMS for any of the Council's commercial and equity-based investments which currently include the following:
 - a £99m investment property portfolio,
 - £175m of loans to third parties,
 - council-owned companies, which were reporting a net loss of £1.9m at 31/3/2021 according to Group accounts,
 - investment in the Real Lettings Property Fund, currently valued at £48m.
6. The DCLG Statutory Guidance on Local Government Investments (3rd edition published in February 2018) draws a clear distinction between treasury management investments and other investments, but paragraph 22 of the Guidance requires local authorities to:
 - disclose the contribution that all non-treasury investments make towards service delivery and financial objectives, and
 - develop and report on a range of indicators to explain performance for each type of investment and the extent of any additional debt costs taken on.
7. The non-treasury investments listed in above total £322m which is significant to the Council. The TMS should therefore include clear performance targets for each type of non-treasury investment covering security, liquidity and yield.

Recommendations

- R1. Information contained within the TMS and used to calculate key prudential indicators should be consistent internally and with revenue budgets and capital spending plans approved by Full Council.**

- R2. The TMS should include up to date financial information and clear performance targets for all types of treasury and non-treasury investments in terms of security, liquidity and yield. For example:**
- **regarding loans to third parties, security arrangements, due diligence processes, and the arrangements in place for monitoring repayment and assessing the possibility of default**
 - **regarding investments in council companies, the arrangements for managing performance against financial and non-financial targets, and agreed exit strategies for non-performing companies**

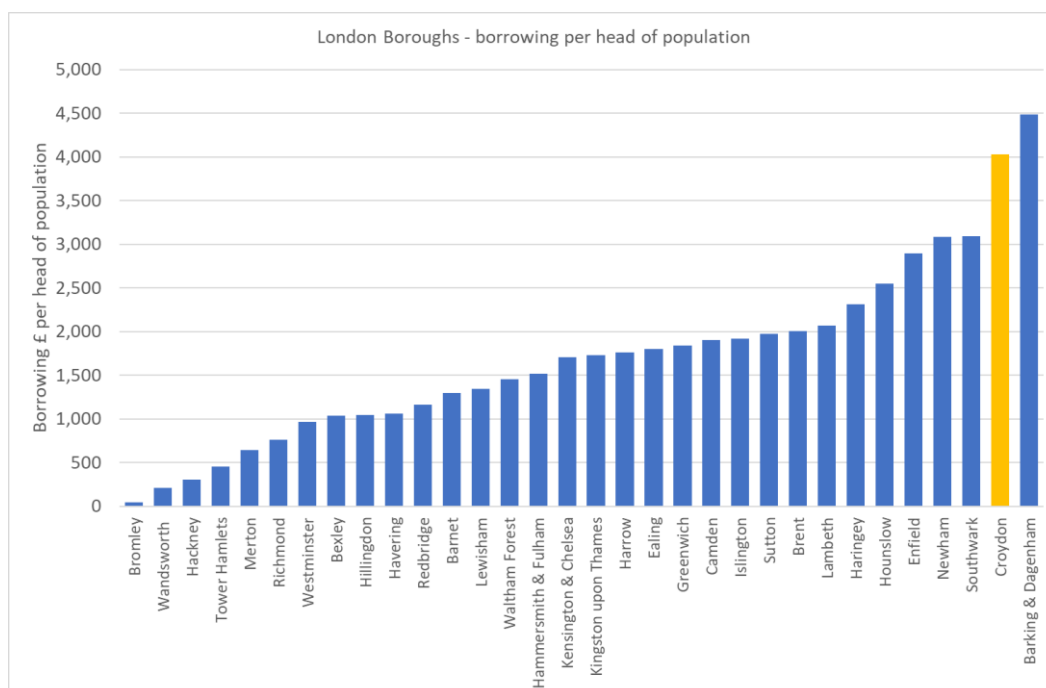
4. Debt charges and borrowing

1. The Prudential Code requires affordability of borrowing to be measured in terms of overall borrowing levels, borrowing risk and total debt costs, comprising both interest charges and, where relevant, any amounts set aside for MRP (see below).
2. The Prudential Code also requires each local authority to operate within borrowing limits approved by members. The Council has recently increased its operational debt boundary to £1,637m and expects to be within 5% of this limit by 31 March 2025, as shown below:

	2020-21 £m	2024-25 £m
Total expected borrowing	1,445	1,561 8% increase over 4 years
Borrowing for non-op purposes	99	94 remains stable at 6-7%
Operational debt boundary	1,520	1,637 actual borrowing = 95% of debt boundary
Authorised debt limit	1,570	1,687 actual borrowing = 92% of debt boundary

Source: Published TMS for 2022/23

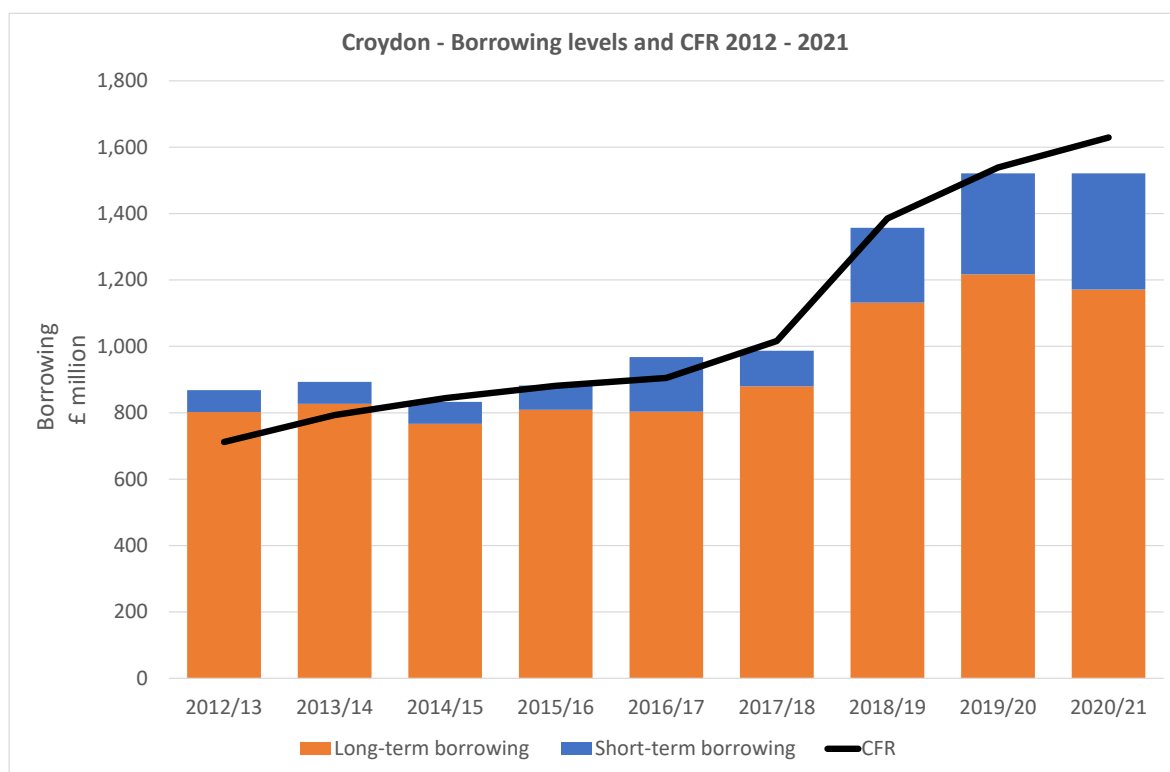
3. The Council has significantly increased its borrowing levels in recent years and now has the second highest level of borrowing per head of population in London:



Source: Published Statement of Accounts 2020/21

4. As well as the operational debt boundary, which measures borrowing in absolute terms, the Capital Financing Requirement (CFR) is another key indicator of financial resilience as it measures changes in the Council's underlying need to borrow over time. Key requirements of the Prudential Code are that external borrowing remains below the CFR overall, and that CFR calculations are based on the Council's year-end Balance Sheet.

5. The graph below confirms that in recent years the Council has been meeting these requirements. Total borrowing has been less than the CFR each year since 2018, and the CFR at 31 March 2021 reconciled to the Balance Sheet to within 1%.

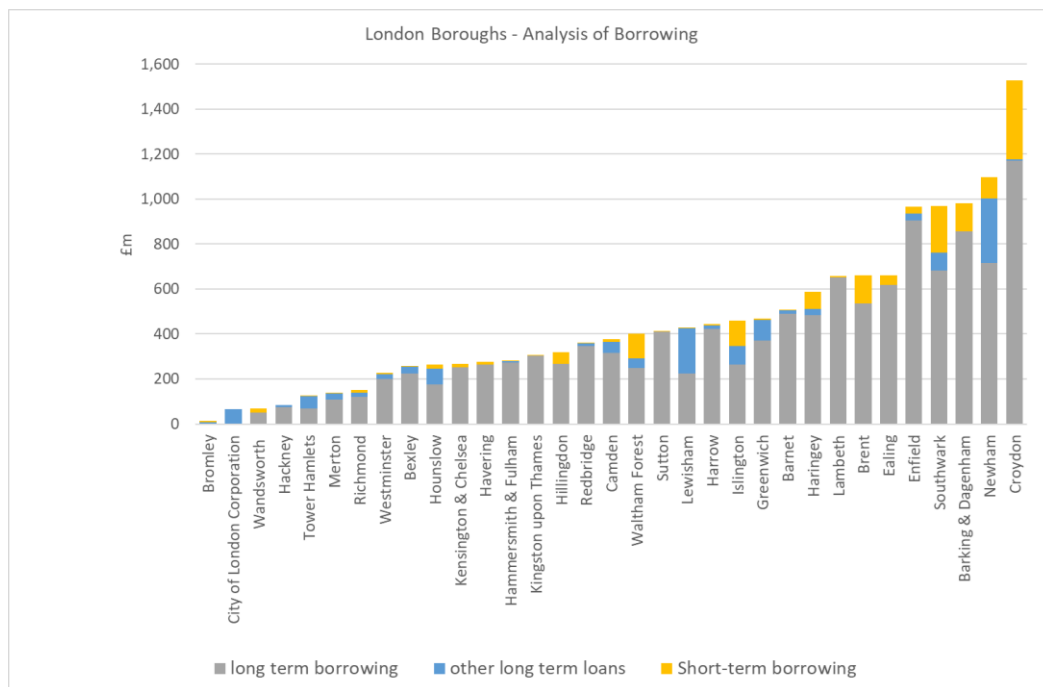


Source: Published Statement of Accounts

6. However, the Council's CFR:
- is significantly higher than the other London boroughs,
 - has increased from £710m to £1,630m between 2013 and 2021, and
 - is expected to increase to c£1,750m by 2025.
7. This expected increase would reflect a 150% increase in borrowing in less than 10 years. Other local authorities experiencing significant financial difficulties have implemented debt reduction strategies as part of their DLUHC recovery plans. By implementing a more pro-active asset disposal strategy, capital receipts could then be used to reduce borrowing and debt charges.
8. The projected increase in borrowing of c£120m between 2021 and 2024 is consistent with the amended capital spending plans set out in the 2022/23 TMS. However, a £120m increase in external borrowing is not consistent with the expectation, set out in Appendix D of the TMS, that the ratio of financing costs as a percentage of the total revenue stream will remain stable at around 13% for the HRA, and reduce from 13% to c10% for the General Fund.
9. Financing costs as a percentage of the General Fund revenue budget will only reduce if a significant proportion of the capital programme is financed from the Council's own existing cash resources instead of new loan debt. This is sometimes referred to as unsupported or internal borrowing. Given however that the total of short-term investments and cash balances in the Council's Balance Sheet at 31 March 2021

totalled only £55m, it seems unlikely that the Council could fund all of the next 3-4 years' capital programme in this manner. It should also bear in mind that reserves balances held to cover unexpected overspends and contingencies should be cash backed.

10. To resolve these apparent inconsistencies, as a first step all the various sections of the Council's TMS need to be based on a consistent set of assumptions which are more explicit (and realistic) about:
 - whether new borrowing will represent external loans or utilisation of existing cash funds (unsupported borrowing), and
 - the expected timing, duration, and borrowing costs, of any new external loan debt.
11. Realistically, if the Council continued with its previous capital programme it would need to incur additional external borrowing. Interest charges would then increase accordingly, and this would have an adverse impact on General Fund budgets.
12. Moreover, the current financing costs to revenue ratio has been calculated using an assumed interest rate of 0.25% rising to 1.25% by 31/3/2025 but:
 - the OECD forecasts that UK interest rates will exceed 2% by January 2024;
 - the Bank of England increased the base rate to 1.75% on 4/8/2022, and it seems highly likely that there will be further increases later this year.
13. Projected interest rate increases are especially relevant to Croydon because it has high levels of short-term borrowing, as shown below:



Source: published statements of accounts 2020/21

14. Using short term, variable rate borrowing has been an attractive option for many local authorities in recent years because while interest rates have been low and stable it has

generally been a cheaper and more flexible alternative to long-term borrowing at PWLB fixed term interest rates.

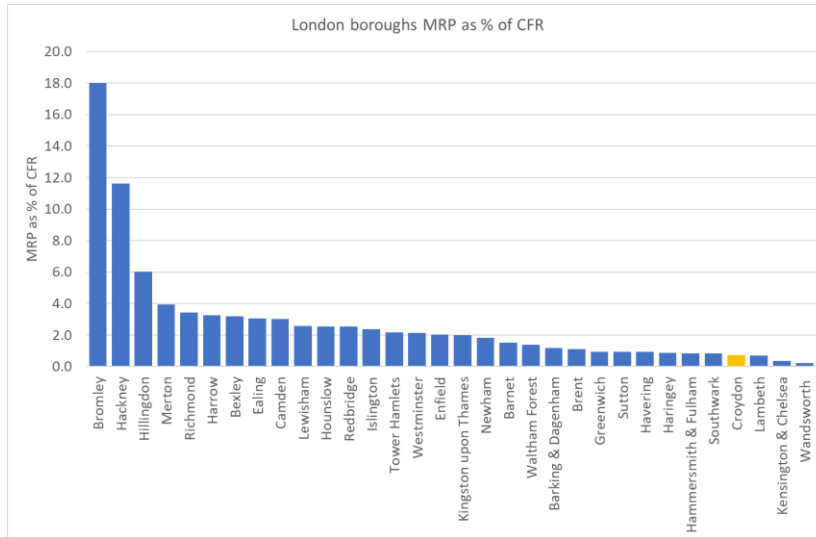
15. Low interest rates of under 1% since 2009 have limited the impact of increased borrowing on General Fund budgets, to the extent that some local authorities have regarded borrowing as a cost-free source of funding.
16. However, needing to regularly repay existing loans and renegotiate new ones is time-consuming for Council officers. Also, as borrowing rates are expected to rise in future so interest charges for this type of loan are likely to increase. A less risky strategy might be to match capital expenditure with long term, fixed rate loans with repayment profiles matched against the expected useful life of the asset.

Recommendations

- R1. The Council's TMS needs to be more explicit, and more realistic about:**
 - **whether new borrowing will represent external loans or utilisation of existing liquid resources**
 - **expected timings of any new external borrowing, and**
 - **whether this borrowing will be long or short term**
 - **the impact new loan debt will have on revenue debt charges and General Fund budgets in future years.**
- R2. The Council should update its TMS, revenue budgets, and medium-term financial plans to reflect more up to date assumptions about future interest rates.**
- R3. Given the expected increase in UK interest rates going forward, the Council should also consider the potential benefits of:**
 - **a debt reduction strategy, and**
 - **replacing short term, variable rate borrowing with long term, fixed rate loans where repayment profiles are matched against the expected useful life of the asset.**

5. Minimum Revenue Provision (MRP)

1. MRP is a legal requirement, specific to local authorities, which arises where General Fund capital expenditure has not been funded from either capital receipts, government grants, developer contributions or revenue financing. It requires an annual amount to be set aside from revenue budgets each year to reflect future repayments of this assumed new borrowing, irrespective of whether any actual new borrowing has taken place, or whether any loan repayments are in fact due.
2. Although the exact level of MRP charged each year is for the Council to decide, local authorities must “have regard to” statutory guidance issued by the Government. The current Statutory Guidance on MRP (2018 edition) sets out four options for calculating a prudent amount.
3. Para 23 of this Guidance does not preclude alternative calculation methods, but recent statements from DLUHC have re-emphasised that the Government expects this guidance to be followed and have clarified their expectation that MRP should be charged on all categories of capital expenditure including equity investments, commercial property and third-party loans.
4. Local authorities are required to publish their policy for calculating MRP which is then approved by elected members as part of the TMS. The published policy should:
 - explain the MRP framework and calculation options are as set out in current statutory and non-statutory guidance, and also
 - highlight any significant changes to the guidance since last year, and confirm that these requirements are being correctly applied.
5. Irrespective of the detailed method of calculation, in general terms MRP should:
 - be consistent with levels of external borrowing,
 - follow the trend of any changes in the Council's CFR, and
 - represent at least 2% of the closing CFR in any given financial year - this is external audit's current threshold for initiating more detailed review.
6. Our work confirmed that MRP calculations for 2018/19 through to 2022/23 are broadly in line with the published policy included set out in the TMS each financial year. However, in 2020/21, the Council's MRP charge of £12m was less than 1% of its CFR and 4th lowest of all London boroughs, as shown below. The Council has recently commenced a review of its MRP policy and underlying calculations, to confirm that:
 - the annual charge has been calculated in line with statutory and non-statutory guidance,
 - realistic levels of MRP have been built into General Fund budgets for future years, and that,
 - differences between the Council's level of MRP charges and those of neighbouring authorities can be justified and is clearly understood.



Source: published statements of accounts 2020/21

7. We have provided officers with examples of calculations prepared by other authorities which, in our view, comply with current Government expectations in full.

Recommendations

R1. The Council's published MRP policy should:

- explain the MRP framework and calculation options are as set out in current statutory and non-statutory guidance,
- highlight any significant changes to the guidance since last year, and
- confirm that these requirements are being correctly applied.

- R2. The Council should review its MRP policy and underlying calculations, to confirm that the annual charge has been calculated in line with statutory and non-statutory guidance, and that realistic levels of MRP have been built into General Fund budgets.



LONDON BOROUGH OF CROYDON FINANCIAL REPORTING AND YEAR END CLOSE

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1. Introduction and Summary

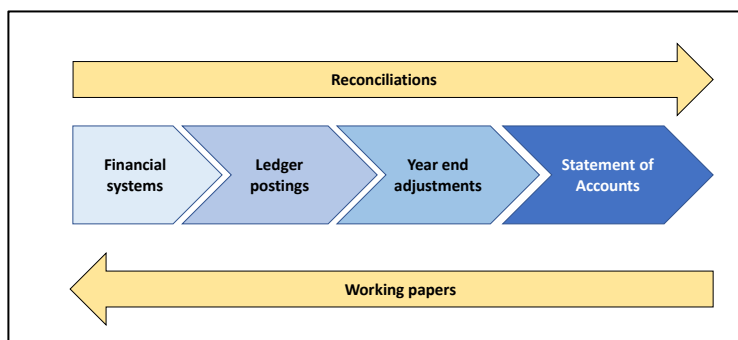
In July 2022, Worth Technical Accounting Solutions Limited were engaged by the London Borough of Croydon to support the Council's "Opening the Books" initiative. This aspect of our work is focussed on financial reporting and year end close.

Good quality financial reporting is based on a combination of:

- fit-for-purpose financial systems for recording everyday transactions,
- accurate postings to appropriate general ledger codes,
- effective arrangements for identifying and processing year-end adjustments, and
- good project management which supports timely production of financial information.

Underpinning this activity are:

- reconciliation controls, which ensure that data is transferred accurately from one stage of the process to the next, and
- comprehensive working papers which support the entries in financial statements.



Our report considers each of these areas in turn. Key recommendations are set out below:

- publication of financial statements was delayed in 2020/21 and 2021/22 as complex accounting issues were identified. Resolving these issues and finalizing and publishing 2021/22 financial statements is now a priority for the Council so that the current position on General Fund balances can be clearly established.
- capacity and resourcing issues have also affected completion of 2021/22 accounts. The Council should ensure that closedown plans, once agreed, are delivered in practice, with prompt action taken to address staffing problems or other delays.
- the corporate finance team does not have effective oversight of bank reconciliations and feeder system reconciliation work. New processes should be introduced to ensure that these reconciliations are carried out regularly throughout the year and adequately evidenced.
- bad debt provisions should be calculated on a consistent and prudent basis at the year end, and all debts which are considered not collectable should be written off.

2. Financial processes

1. It was not part of the agreed scope of this project to review individual financial systems in detail, or to confirm the accuracy of specific ledger balances. Instead, our work has been focused on a high-level review of the following:
 - ledger maintenance
 - bank reconciliations
 - other reconciliation controls
 - ledger maintenance, and
 - income collection, write offs and bad debts
2. Each has been considered in turn below.

Ledger maintenance

3. Most financial information is produced in the first instance from general ledger reports therefore it is of critical importance that this information is accurate and up to date. Our high-level overview was able to confirm that:
 - appropriate interfaces are in place for automatic postings between financial systems (which record-day-to-day transactions) and the ledger codes that these transactions relate to
 - balances on suspense, control and holding accounts are cleared as part of the annual closedown process.
 - where manual journals need to be raised to process information which is not posted automatically, these journals are well controlled and kept to a minimum, which reduces the risk of miscoding and other input errors
 - the ledger coding structure is, in general terms, fit for purpose and follows Code requirements. Year-end accounts can be prepared with the minimum amount of spreadsheet re-analysis, which reduces the risk of errors due to misclassification, poor version control or data loss.

Bank reconciliations

4. By agreeing all cash-based income and expenditure transactions back to third party confirmations (bank statements), bank reconciliations are arguably the single most important control over the integrity of ledger information. In our view all bank reconciliations should be completed weekly, with copies provided to the corporate finance team.
5. One part of the bank reconciliation process takes place on a micro level, by agreeing individual transactions listed in bank statements back to the Council's own financial records. But it is equally important that bank reconciliations operate at a macro level, by:
 - agreeing closing balances on each bank statement back to the relevant account code balance in the general ledger
 - ensuring that all suspense and holding account items have been cleared, and

- updating cash flow forecasts which are used to make treasury management and investment decisions.

6. Our review confirmed that bank reconciliations were completed in full at 31 March 2022 with balances on holding codes and suspense accounts all cleared. However, bank reconciliations are not always kept up to date during the year. For example, in November 2022, copies of bank reconciliations could only be provided up to August.

Other reconciliation controls

7. Financial systems recording day-to-day transactions should be regularly reconciled to the ledger codes that they relate to. Reconciliation controls are essential not just to confirm the accuracy of year-end financial reporting, but also to ensure that in-year outturn reports and budget setting information is accurate.

8. The corporate finance team does not need to complete the reconciliations, but it does need to have effective oversight of the process and be confident that:

- all reconciliations are being undertaken on a regular basis throughout the year
- any reconciling items are investigated,
- all mis-postings have been corrected, and
- all suspense and holding account balances have been cleared.

9. Typically, this oversight is exercised through some form of “dashboard” reporting whereby:

- all the key reconciliations are listed together with target and actual dates for completion during the year (usually monthly)
- a nominated individual within the corporate finance team is assigned responsibility for obtaining copies of the reconciliations, reviewing them, and ensuring all relevant issues arising have been dealt with.

10. We could find no evidence of such processes being maintained at Croydon, and no corporate guidance on how often reconciliations should be carried out, or on how these key documents should be evidenced and prepared.

11. Other than for sundry debtors and creditor payment systems, our work suggested that reconciliations are not taking place regularly, or at least not being evidenced, throughout the year. The table below sets out the position at 30 November 2022:

	Most recent reconciliation
Creditor payments and Sundry debtors	October 2022
Payroll	August 2022
Council Tax income, Business Rates income and Fixed Asset Register	March 2022
Housing rents income and Housing Benefits	No reconciliations for 2022/23 provided to date

12. More regular reconciliation activity, and more effective processes to ensure that any issues identified were properly addressed, would have significant benefits in terms of both:

- reducing closedown workload at the year-end, and in

- ensuring that in-year reports to senior management and to members were accurate.

Income collection and provisions for bad and doubtful debts

- The corporate finance team appears to have had, until recently, limited oversight of:
 - income collection rates
 - levels of bad debt write-offs, or
 - the process for calculating year-end provisions for bad and doubtful debts.
- A recent appointment has been made to co-ordinate and oversee income collection across all aspects of Council activity, reporting back to the section 151 officer. This is very much to be welcomed, however at the time of our fieldwork this individual was new in post. Currently, there appears to be no corporate guidance on how bad debt provisions should be calculated, and the information we received was presented in a range of different formats, supporting calculations made in different ways and based on varying assumptions.
- Based on the information available for 31 March 2021, total gross debts, and bad debt provisions for the Council's main categories of income are shown below:

At 31 March 2021			
	Arrears	Bad debt provisions	
	£000s	£000s	%
Housing Benefits Overpayments	37,187	(13,413)	36%
Council Tax	59,881	(43,569)	73%
Business rates	17,322	(9,815)	57%
Current tenants arrears	4,257	(116)	3%
Former tenants arrears	12,795	(994)	8%
Sundry debtors	44,060	(7,806)	18%
Total	175,502	(75,713)	43%

- Although the method of calculating each different category of provision varies, in general, only debts over 6 years old have been fully provided for and, again in most cases, no significant provision is being made at all until the debt is 2-3 years old. The Council is carrying a significant amount of debt which is more than 7 years old which is fully provided for. There is limited movement on such debt and best practice would be to write off most of these debts.
- Based on our experience of calculations elsewhere, we have suggested that all debts over 5 years old should be written off and all debts over 2 years old should be at least partially provided for. This would increase the overall provision to between 50% and 75% of total debts at 31 March 2023, an increase of between c£10m and £55m.
- The Council has responded promptly to this suggestion and has established a working group to review income collection processes, write-offs and provisions.

Recommendations

R1 Corporate guidance should be provided on key accounting areas such as the preparation and evidencing of:

- **bank reconciliations**
- **other key reconciliation processes**
- **bad debt write-offs, and**
- **calculation of bad debt provisions at the year-end.**

R2 Bank reconciliations should be completed weekly, with copies provided to the corporate finance team together with evidence confirming that:

- **each bank statement reconciles back to the ledger,**
- **all suspense and holding account items have been cleared, and that,**
- **cash flow forecasts used to make treasury management decisions have been updated as necessary.**

R3. A “dashboard” process (or equivalent) should be established to confirm that:

- **feeder system reconciliations are undertaken monthly throughout the year,**
- **any reconciling items are investigated,**
- **mis-postings have been corrected, and**
- **all suspense and holding account balances have been cleared.**

R4. Bad debt provisions should be calculated on a consistent basis, based on the age of the debt and a realistic assessment of collectability. As a general rule, based on practices that we have observed elsewhere, all debts over 5 years old should be written off and all debts over 2 years old should be at least partially provided for.

R5. The Council is carrying a significant amount of debt which is more than 7 years old and, although much of this is fully provided for, most of these debts should be written off.

3. Working papers

19. Working papers should be prepared to support all of the transactions, balances and disclosure notes in the accounts. They should be filed centrally, in well-signposted folders which are accessible to all Finance staff as well as the external audit team.
20. Working papers are key to the external audit process and the external audit team should be able to provide a list of working paper requirements (often referred to as the “Prepared by Client” list or PBC), well in advance of the year end. This list should be a key driver for closedown work and a copy of the PBC list cross-referenced to detailed working papers should be available at the start of the audit.
21. As well as using the PBC to ensure completeness, it is important that working papers are prepared to the required quality standard and on a broadly consistent basis. Many local authorities achieve this by using templates or a standard working -paper index. Examples of a working-paper index and a comprehensive file structure are provided in Appendix 1.
22. The Council already uses year-end templates for calculating and posting revenue and capital accruals and for requesting movements to and from reserves. This approach should be extended, as a minimum, to cover all year-end accruals, prepayments, provisions and receipts in advance.
23. Many local authorities adopt a “right first time” approach to working papers, by ensuring that all working papers are subject to detailed review before the draft financial statements are prepared. Usually this is done by including additional columns in the closedown plan for reviewer and preparer, with separate completion dates for preparation and review.
24. In addition to detailed reviews of individual working papers, analytical review should be completed to explain the reasons for material changes compared to the budget and the previous year. This is usually a core requirement of the audit team’s PBC list.
25. The corporate finance team do complete an analytical review for the Net Cost of Services element of the accounts, by comparing net costs for each Directorate to the Quarter 4 out-turn report. This process should be extended to provide additional assurance by:
 - comparing debt charges and investment income to Treasury Management reports, and
 - comparing Balance Sheet assets and liabilities against previous years.
26. One area where audit expectations have increased significantly in recent years is the evidence provided for key accounting estimates. Revisions to “*ISA 540 - Auditing accounting estimates and related disclosures*” apply from 2020/21 onwards and require auditors to be much more challenging in areas such as land and building valuations, material provisions and IAS 19 disclosures.
27. Even where external experts have carried out these valuations, local authorities are now usually expected to explain in detail:
 - how each material estimate has been calculated,
 - how key assumptions have been arrived at,

- how financial modelling has been applied,
 - what source data has been used,
 - what work has been done to confirm that this information is accurate,
 - any changes in the estimation method,
 - how external specialists are appointed and utilised,
 - how management judgement has been exercised, and
 - any significant uncertainties which might affect the valuation.
28. The audit of accounting estimates was considered in detail at the CIPFA Local Authority Accounting Conference in July 2022. Appendix 2 provides copies of slides from that conference, setting out how working papers could be compiled to evidence new audit requirements on asset valuations and pension liabilities.

Recommendations

- R1 A Prepared by Client (PBC) list should be obtained from the audit team and used to ensure that a comprehensive set of working papers is produced each year.**
- R2 Templates should be introduced to ensure that working papers are prepared to a consistent standard and support all transactions, disclosures and balances in the Statement of Accounts.**
- R3 Closedown work should include:**
- detailed review of year-end working papers at pre-audit stage
 - analytical review on all material transactions, disclosures and balances.
- R4 Working papers should specifically address new audit requirements on key accounting estimates for:**
- land and property valuations
 - IAS 19 disclosures, and
 - any material provisions or accounting estimates.

4. Project management

29. Publication of the Council's year-end financial statements has been delayed significantly since the Section 114 Notice was issued in November 2020. The 2020/21 accounts were not published until 31 August 2021 (4 months after the year-end and 1 month later than the COVID delayed statutory deadline of 31 July) and 2021/22 accounts had not been published as at 30 November 2022, when we originally reported and remain outstanding at 27 January 2023 (10 months after the year-end).
30. The Accounts and Audit Regulations 2015 require financial statements to be drafted and published by 31 July each year. Many local authorities do not achieve this in practice, but, as a minimum, accounts should be completed before budget setting preparations start in autumn each year.
31. Specific problems at Croydon which have led to these delays have included:
 - disagreements about the correct accounting treatment for specific transactions, most notably Croydon Affordable Homes, and
 - uncertainty over the availability of additional financial support from central Government
 - resourcing and capacity issues, which have delayed, for example, production of the pension fund accounts and annual report for 2021/22.
32. Arguably, the production of year-end accounts has historically not always been seen as a priority in the context of the Council's other financial challenges. However, the Chief Executive has confirmed to us that the prompt closure of year-end accounts, and working effectively with Grant Thornton to expedite completion of the audit, is now a key priority for the Council.
33. In our view, timely production of financial statements forms an important part of the Council's financial recovery since, without this, accurate monitoring of General Fund reserves and balances cannot take place. It is also important, from a transparency and "building trust" perspective, that both in-year and year-end financial reporting is kept up to date.
34. Resolving complex accounting issues can take time, and where necessary, appropriate caveats and additional disclosures can be included in published financial information to explain the context and set out any specific areas of concern. We have provided officers with suggestions as to how this could be done, based on our experiences elsewhere.
35. The Section 151 officer has a key role to play by ensuring that:
 - fit-for-purpose project management arrangements are in place,
 - financial statements are published on or before 30 September each year,
 - in-year financial reporting is up to date,
 - the necessary skills and resources are available,
 - speedy and informed decisions are taken to address any problems or delays, and

- financial information contains the necessary caveats where accounting or audit issues remain unresolved.
36. Project management arrangements for 2021-22 year-end close were adequate but there is scope for further development, as follows:
- the current closedown plan identifies c320 tasks to be completed between 1st January and 30 June 2022. Closedown plans at similar-sized authorities are usually more detailed, typically listing 500-600 separate tasks and cross-referenced to Code and PBC requirements,
 - most tasks are allocated to a named individual. However almost 50 tasks were either allocated generically to spending departments or finance teams, so it was not clear exactly who would be responsible for completing these in practice,
 - the closedown plan only identifies c10% of tasks to be completed in advance of 31 March 2022. The Council should be aiming to complete early work wherever possible, for example by finalising the template Statement of Accounts in early January and by drafting revenue-based disclosure notes using Period 10 forecast outturn.
37. Year-end closedown work has traditionally been led, and largely delivered by just 3-4 people in the corporate finance team. Although over 30 individuals are listed in the closedown plan, the role of most of these staff is limited, and their contribution could be significantly enhanced. Many local authorities are moving towards a resourcing model whereby:
- closedown work involves all service-based finance staff as well as Exchequer and Treasury Management personnel,
 - the role of the corporate finance team is focussed on liaison, review and general oversight, coupled with the provision of training and technical expertise.
38. This approach creates additional resilience, reduces key-person risk and can help to avoid delays. It should also facilitate speedier production of year-end accounts. To be successful however it does depend on staff who are new to financial reporting and audit being supported effectively in their new role. Usually this is done through a combination of the following:
- staff training – a staff briefing was provided in 2021 covering issues such as year-end cut-off, working papers, recharges, and accruals. This approach should be developed and extended to include, for example, technical training on Code requirements and audit expectations,
 - providing written guidance and instructions. Appendix 3 sets out a list of potential issues where written guidance to Finance staff is provided by other authorities.
39. Project management should not only cover the processes leading up to the publication of the draft accounts each year but should also include processes for making sure that audit work is completed as quickly as possible, with all audit queries responded to promptly and comprehensively.
40. The Council's current target is to respond to audit queries within 2-5 days but there are no systematic processes in place to ensure that:

- target response times are being met,
 - issues with a potentially material impact on the financial statements are given priority, and that,
 - auditors are happy with the responses provided and do not require any further information to complete their work.
41. Given the increased level of audit work now necessary to meet regulatory requirements, and the consequent impact this has on practitioners, many local authorities are now finding it necessary to appoint a project manager with specific responsibility for managing the audit process as opposed to managing the production of the accounts. Other actions which local authorities use to keep the audit work on track include the following:
- regular meetings, at a senior level, between the Section 151 officer and the local external audit team, and
 - audit progress being included as a standing item on Audit Committee agendas.

Recommendations

- R1 Timely production of year-end accounts and in-year financial information should be a corporate priority going forward, with visible and effective leadership ensuring that:**
- financial statements are published by 30 September each year, and
 - outturn reports are published on a regular basis throughout the year.
- R2 Closedown plans should be reviewed and updated to ensure that:**
- the key tasks identified reflect all Code and PBC requirements,
 - all tasks are allocated to named individuals, and that,
 - as much work as possible is completed in advance of 31 March each year
- R3 Closedown work should be less dependent on a small number of staff within the corporate finance team by involving all service-based finance staff as well as Exchequer and Treasury Management personnel.**
- R4 Staff briefings on year-end close should be developed and extended to include, for example, technical training on Code disclosures and audit requirements.**
- R5 Written guidance should be provided to all staff involved in year-end close.**
- R6 Project management arrangements should ensure that all audit queries are responded to promptly and comprehensively.**
- R7 Regular meetings between the Section 151 officer and the local external audit team, and regular progress reports to the Audit Committee, should be used to monitor both the production of year-end accounts and the progress being made by external audit.**

5. Year-end financial statements

42. The Council's unaudited financial statements for 2020/21 were published in August 2021. We were not engaged, as part of this assignment, to carry out a technical review on these financial statements or to examine supporting working papers in detail, but we did complete a high-level review of Code requirements and key consistency checks, which is set out in Appendix 4.
43. The layout, format and overall presentation of the Council's draft financial statements is based on CIPFA's published example accounts and therefore should meet most Code requirements. Key disclosure issues that we identified were as follows:
 - the Statement of Accounts does not typically include an Annual Government Statement (AGS). At Croydon this statement is prepared and published separately from the rest of the accounts. Whilst the Code does not require a full AGS to be published as part of the accounts, it does require a summary statement to be included, or at the very least, clear signposting as to where a stand-alone AGS might be found.
 - 2021/22 draft accounts do not include the Council's pension fund accounts. We understand that these accounts were not prepared or published by 1 December 2022, despite this being a statutory requirement.
 - Note 1.2 (accounting policies) confirms that the going concern assumption has been applied but does not refer to either the Section 114 Notice issued in November 2020, or to ongoing Government support
 - there are no credit risk disclosures on trade and loan debts in the Financial Instrument disclosures, and no aged analysis of debtors or information on debts past due date not yet impaired. Note 17(debtors) discloses total credit loss allowances but there is no detail about how this has been calculated or the debt profile that it relates to.
44. In addition to the published example accounts, CIPFA also produce a detailed disclosure checklist each year. Many local authorities complete this checklist as part of their pre-audit review, to demonstrate that the draft accounts submitted for audit meet Code disclosure requirements in full.
45. An Excel workbook is used by the Corporate Finance team to carry out arithmetic, cross-referencing and consistency checks. Overall, this seems to work well, although there may be scope for further development. For example, in the Council's 2020/21 accounts, some movements on the Major Repairs Reserve, the Capital Adjustment Account and the Expenditure and Funding Analysis were not consistent with core statements and other disclosure notes.
46. The CIPFA publication "Streamlining the Accounts" contains a useful Section 151 checklist, setting out key consistency issues, and the CIPFA example accounts publication for LGPS pension schemes also includes a more detailed consistency checker for this section of the accounts.

47. In addition to the issues highlighted above, our other reports to the Council have considered specific accounting issues and disclosure requirements relating to:
- Croydon Affordable Homes
 - Capitalised Transformation costs
 - Capitalisation Directions obtained from the Government, and
 - Minimum Revenue Provision (MRP) calculations.
48. Officers recognise that addressing these issues will require adjustments to unaudited financial statements for 2020/21 and 2019/20, and that external audit work in relation to either these financial statements or to 2021/22 is unlikely to progress until the relevant adjustments can be processed and agreed.
49. Resolving these matters, some of which have been outstanding for several years, should therefore be addressed as a priority. This would enable the Council not only to progress external audit work but to obtain greater clarity about levels of General Fund balances, which will assist with budget setting for 2023/24 and future years.

Recommendations

- R1 The published Statement of Accounts should either include the complete version of the Annual Government Statement, a summarised version to meet Code requirements, or, as a minimum, clear signposting as to where the AGS can be found.**
- R2 2021/22 pension fund accounts should be completed as soon as possible. The 2021/22 pension fund annual report should also be drafted and published as this is now overdue.**
- R3 Going concern disclosures in Note 1.2 should explain why the going concern assumption remains appropriate given the Council's current financial position.**
- R4 The Statement of Accounts should include credit risk disclosures on trade and loan debts, together with an aged analysis of debtors and summary information on debts past due date not yet impaired.**
- R5 To demonstrate that all relevant Code requirements have been met, the Council should complete CIPFA's detailed disclosure checklist each year.**
- R6 Spreadsheet-based cross-referencing and consistency checks should be extended to include cross-checks on:**
- movements in useable and unusable reserves
 - the Expenditure and Funding Account, and
 - the subjective analysis of Net Cost of Services in Note 1C.
- R7 Some complex accounting matters have been outstanding for several years. Resolving these matters, and making appropriate adjustments to prior year's financial statements, should be regarded as a priority.**

Appendix 1 – Example working papers

File structure

01 Accounting policies	16 Grant income	31 Prior Period Adjustments
02 Balance Sheet	17 Group Accounts	32 Provisions
03 Borrowing	18 HRA and disclosure notes	33 Related Party Transactions
04 CFR and capital financing	19 Inventory	33 Subjective analysis
05 Cash	20 Leases	34 Short and long term investments
06 Cash Flow Statement and Notes	21 Material items	35 Trading and agency services
07 CIES	22 MIRS, Earmarked reserves and adjustments	36 Unuseable reserves
08 Collection Fund	23 Narrative report	37 Expenditure and Funding Analysis
09 Creditors	24 Non current assets and PPE	38 QA and consistency checks
10 Key judgements, assumptions and accounting estimates	25 member & officer remuneration	
11 Debtors	26 Other CIES disclosure notes	
12 External audit fees	27 PBEs and contingencies	
13 IFRS 13 Fair Value	28 Pension costs and IAS19	
14 Financial Instruments	29 PFI schemes & service concessions	
15 Direct Schools Grant	30 Pooled budgets	

Working paper index

<u>Working paper index</u>	
WP 1. Draft disclosure note	Note 17!A1
WP 2. GL report	GL !A1
WP 3. Feeder system reconciliation	year end rec!A1
WP 4 - 6. Other supporting information	accruals and RIA!A1
WP 7. Year end adjustments	journals!A1
WP 8. Code disclosure checklist	disclosure checklist!A1
WP 9. Analytical review	analytical review!A1
WP 10. Review sheet	Review sheet!A1

Appendix 2 – Evidencing key accounting estimates

Working papers index	
1. QA to confirm that the data collection submission provided to the actuary is correct	<u>WP1</u>
2. Checks to confirm the accuracy of membership records via AR reconciliation controls	<u>WP2</u>
3. Emails to confirm the actuary is aware of pension prepayment and academy outsourcing	<u>WP3</u>
4. Emails to confirm the actuary has taken account of McCloud and other legal cases	<u>WP4</u>
5. Notes of meetings with actuary to discuss demographic and financial assumptions	<u>WP5</u>
6. Confirmation that the draft IAS 19 report includes the detailed information requested by auditors	<u>WP6</u>
7. Confirmation (via LGPS) that the actuary's terms of engagement meets all Code requirements	<u>WP7</u>

Working papers index	
1. Spot checks to confirm that the Fixed Asset Register info provided to valuers is correct	<u>WP1</u>
2. Checks to confirm the accuracy of floor area, rent income, tenancy length and voids	<u>WP2</u>
3. Emails to confirm arrangements for valuer site visits	<u>WP3</u>
4. Copies of property condition surveys and backlog reports	<u>WP4</u>
5. Notes of meetings with valuer to discuss content and layout of valuation reports	<u>WP5</u>
6. Confirmation of appointment process for valuers inc assessment of competence and experience	<u>WP6</u>
7. Confirmation that the valuer's terms of engagement meets all Code and Red Book requirements	<u>WP7</u>

Appendix 3 – Closedown Guidance Notes

Detailed guidance notes could include the following areas, depending on their significance to the Council:

Roll-over of prior year balances	Transfers to and from reserves
Year-end cut off	Identifying contingent assets
Calculating and posting revenue accruals	Identifying contingent liabilities
Calculating and posting capital accruals	Identifying post year end events
Calculating and posting provisions	Identifying RPT disclosures
Clearing suspense and holding accounts	Group accounts information
Clearing GRNI balances	IAS 19 disclosures
Calculating prepayments and RIA	LGPS investments reconciliation
Stock-taking procedures	LGPS contributions reconciliation
Petty Cash balances	LGPS benefits reconciliation
Year-end bank reconciliations	Analytical review
Calculating bad debt provisions and credit loss allowances	Reconciliation to Q4 out-turn reports
Accounting for grant income	Identifying post year end events
Accounting for section 106/CIL income	FI risk disclosures
AP and AR reconciliations	FI notes
Housing Benefit reconciliations	Fair Value disclosures
Payroll reconciliations	Staff cost disclosures
Council Tax reconciliations	Audit fee disclosures
Business rates reconciliations	Exit payments
Fixed Asset Register reconciliations	Drafting the Narrative Report
Housing rents reconciliation	
HMRC reconciliations	

Appendix 4 – Review of 2020-21 Statement of Accounts

Contents and Presentation	
Are all core statements included ie CIES, Balance Sheet, CFS, MIRS, HRA, Coll Fund, Group Acc's, AGS, Narrative Report and Glossary?	No AGS, otherwise yes
Comprehensive income and expenditure statement	
Does the reported surplus or deficit for each year match the corresponding entries in the MIRS?	YES
Is the reported surplus/deficit in the CIES consistent with the cash flow statement and the EFA?	YES
Is the statement cross referenced to relevant disclosure notes?	YES
Is NCOS analysis under 10 lines?	YES
Does the Total Comprehensive Income and Expenditure for the year equal the movement in net assets in the Balance Sheet?	YES
MIRS	
Are statutory adjustments consistent in total between the MIRS and the disclosure note?	YES
Are movements to and from earmarked and General Fund/HRA reserves consistent between the MIRS and disclosure notes ?	YES
Balance sheet	
Do reserves balances match the corresponding entries in the MIRS?	YES
Do cash and cash equivalent figures in the balance sheet agree to the cash flow statement?	YES
Is the statement cross referenced to relevant disclosure notes?	YES
Cash Flow Statement	
Is the statement cross referenced to relevant disclosure notes?	YES
Collection Fund	
transactions?	YES
Are CT and BR surpluses and deficits c/f and b/f separately disclosed?	YES
Has the basis for reallocating previous year's surplus or deficits been disclosed?	YES
Prior Period adjustments	
Where prior period adjustments have been identified, do core statements include additional lines/columns and disclosure note (s) as appropriate?	No PPAs disclosed on 2020-21 accounts
Group accounts	
Does the reported surplus or deficit for each year in the Group CIES match corresponding entries in the Group MIRS and Group Cash Flow Statement?	YES
Do Group accounts include additional disclosure notes for balances which are materially different from the single entity accounts?	No separate Group accounts disclosure notes - all cross-references are to single entity financial statements
Does the Total Comprehensive Income and Expenditure for the year equal the movement in net assets in the Group Balance Sheet?	YES
Does the Group Balance Sheet balance and is it consistent with the Group MIRS and Group Cash Flow Statement?	YES
Is the Group MIRS consistent with single entity accounts?	YES
Housing Revenue Account	
Are HRA core statements cross referenced to relevant disclosure notes?	YES
Does the HRA Movement on Balances statement agree to (1) the MIRS (2) the main statement statutory adjustments notes (3) the HRA I&E account?	YES
Do movements on MRR balance agree to MIRS and statutory adjustments note?	No - MIRS doesn't show the movements in and out on MRR balances each year and the Statement of Movement on HRA balances includes an adjustment of £437k which is reflected in the statutory adjustments note but is not reflected in the MRR note or the MIRS
Are HRA disclosure notes consistent with corresponding notes in the main statement of accounts?	YES
Accounting policies, critical judgements and assumptions	
Do accounting policies reflect expected transactions and balances ? Have they been updated to reflect new Code requirements on IFRS 9 and IFRS 15?	Note 1.2 confirms that the going concern assumption has been applied but not why and does not make reference to either the s114 Notice or ongoing reliance on DLUHC support. Neither is there an accounting policy to set out how the CD obtained from DLUHC has been applied and accounted for, the only (very brief) reference to the CD is in note 5
Have all critical judgements and significant estimates been correctly identified and disclosed?	Largely yes, although sensitivity analysis has not been provided for key accounting estimate disclosures in note 4 (apart from IAS 19).
Material items of income and expenditure	
Has a subjective analysis been provided and is this consistent in total with the CIES?	Analysis provided in Note 1C does not reconcile in total back to the CIES. Also a segmental analysis of income has been provided but this does not agree in total to either the subjective analysis or the CIES
Does disclosure note only relate to transactions not covered elsewhere?	YES
Post balance sheet events, contingent assets and contingent liabilities	
Are disclosures correctly categorised between PBSEs, provisions and earmarked reserves?	YES
Transfers to and from earmarked reserves	
Has the Council provided an analysis of transfers to and from earmarked reserves?	YES
Is the nature and purpose of all earmarked reserves set out correctly in the disclosure note?	YES
Financial instruments and Fair Value	
Are Fair Value disclosures provided in line with Code requirements ie level 1-3 analysis plus disclosures on valuation? Have additional disclosures been provided for any level 3 assets or liabilities?	Yes for financial instruments in note 16 and for non-FIs (investment property, surplus assets and assets held for sale) in note 12. all classed at level 1 or 2 so no level 3 assets or liabilities identified.

Does the format of FI notes reflect IFRS requirements ie (1) analysis of FI assets and liabilities (2) analysis of FI gains and losses (3) comparison of fair value and balance sheet value for FIs carried at cost?	Yes although note 16 should clarify that all FI liabilities are carried at amortised cost
Do FI risk disclosures cover credit risk (trade, loans and Treasury Management), liquidity risk, price risk and interest rate risk? Is there an analysis of borrowing by maturity date?	No credit risk disclosures on trade and loan debts, and no aged analysis of debtors or information on debts past due date not yet impaired.
Have credit loss allowances been identified and disclosed in line with IFRS 9 requirements (as part of FI risk disclosures)?	No evidence of credit loss adjustments in note 37. Note 17(debtors) includes a credit loss allowance but there is no detail about how this has been calculated or the debt profile that it relates to.
Capital expenditure and financing	
Are capital additions consistent between PPE and CFR notes?	YES
Are the sources of finance per CFR note consistent with movements on the CAA?	YES
Provisions	
Has the purpose of each provision been explained?	YES
Unuseable reserves	
Is the analysis of unuseable reserves consistent with the MIRS?	YES
Are movements on unuseable reserves consistent with the statutory adjustments note?	No direct read-across from Note 7 to CAA. analysis in note 23.3 for adjustments not relating to capital financing and the CFR. otherwise OK.
Expenditure and Funding Analysis	
Is EFA consistent with the CIES and stat adjustments note?	Some consistency issues in EFA - 2019/20 surplus/deficit in EFA does not agree to CIES and stat adj total in EFA doesn't = MIRS and note 7 in both years.
Do b/w/d and c/w/d GF and HRA balances in the EFA agree to corresponding figures in the MIRS?	YES
Grant income	
Is the grant income analysis consistent with the CIES for non-service grant income and with the Balance Sheet for grants received in advance?	Yes but note 30 incorrectly includes Council Tax and NNDR income
Is the DSG note consistent with grant income disclosures?	YES
Leases, service concessions and PFI schemes	
Do notes identify the NBV of assets held under finance lease and PFI schemes, and the balance sheet liabilities that these relate to?	See separate report for consideration of CAH disclosures. Otherwise yes.
Do service concession/PFI and leasing notes disclose the total of future payments due under the contract analysed between type of payment and date due (within 5 year bands)?	Yes, although providing overall totals would be helpful rather than just future payments for each individual scheme
Pensions	
Does pensions reserve = pensions liability at 31 March each year?	YES
Do disclosure notes on LGPS liabilities meet IAS 19 requirements ie (1) analysis of pension fund assets and liabilities (2) analysis of pensions charges to CIES (3) analysis of pension fund investments (4) analysis of demographic and financial assumptions?	Yes for 1, 3 and 4 but no analysis of pensions charges to the CIES has been provided in note 31
Do LGPS accounts follow CIPFA example accounts format?	YES
Do Fund Account and Net Asset Statement balance?	YES
Are the Fund Account and Net Asset Statement cross-referenced to relevant disclosure notes?	YES
Do FI and FV disclosures meet Code requirements?	YES
Does the investments reconciliation in Note 13 agree to N&S and Fund Account disclosures?	YES

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Agenda Item 8

LONDON BOROUGH OF CROYDON

REPORT:	Cabinet
DATE OF DECISION	22 February 2023
REPORT TITLE:	Revenue Budget and Council Tax Levels 2023/24
CORPORATE DIRECTOR / DIRECTOR:	Katherine Kerswell, Chief Executive Jane West, Corporate Director of Resources (Section 151 Officer)
LEAD OFFICER:	Jane West, Corporate Director of Resources
LEAD MEMBER:	Councillor Jason Cummings Cabinet Member for Finance
KEY DECISION?	NO. The recommendations set out below are not executive decisions and therefore are not key decisions. The final decisions are to be recommended to Full Council for consideration at the meeting scheduled for 1 March 2023.
CONTAINS EXEMPT INFORMATION?	No
WARDS AFFECTED:	All

1. SUMMARY OF REPORT:

- 1.1 On 22 November 2022 the Council's Section 151 Officer issued a Section 114 notice to make it clear to all Members of the Council that it faced a financial situation of an extremely serious nature with significant estimated unfunded financial deficits forecast from 2023/24 onwards. Alongside the S114 Notice, the Council's Medium Term Financial Strategy was published and subsequently presented to Cabinet on 30 November 2022 which set out in detail the financial projections for the Council through to 2025/26. It also identified that there were still legacy gaps in the Council's open financial accounts going back to 2019/20 estimated at £74.6m for which government support needed to be sought.
- 1.2 The MTFS Update report demonstrated significant gaps in the Council's budget each year for 2023/24, 2024/25 and 2025/26. Previously the government had assisted the Council by granting Capitalisation Directions of £150m over the period from 2019/20 to 2023/24 of £70m, £50m, £25m and £5m which allowed the Council to finance ongoing annual revenue spend from capital resources including borrowing, an action which goes against normally accepted good financial practice. The MTFS Update report identified that the impact of the Capitalisation Direction approach is to continue to push up the Council's debt into the future. Continuing to use the Capitalisation Direction approach was one of the major reasons that the Council's fundamental financial unsustainability was continuing to grow. The report noted that the Council was facing an existential question. With the existing government model of extraordinary financial support for local councils, can the Council ever reach financial sustainability given its borrowing commitments and levels of negative equity now and in the future?
- 1.3 The report proposed that consideration be given to approaching the government for a new model of extraordinary financial support. It set out a number of alternative solutions which

were, in order of priority:-

- The write off of Croydon's debt – the MTFs Update report said that the preference was for the government to write off all the Council's debt as it had done for the NHS debt at the start of the Covid pandemic. The report suggested that if this was not possible, then the request was for a write off of the Council's debt by the amount that will reduce Croydon's debt management costs to a 'proportion of net budget' more usual across local government. The reasoning behind this was that, due to poor governance and decision making in the past, the Council holds a lot of toxic debt which is not asset backed and is in effect 'negative equity'. As such it can never escape from this.
- Spreading any MRP (principal repayments) for the Capitalisation Directions over a longer period than the 20 years currently specified by government.
- Reducing the interest rate charged by the Public Works Loan Board on the capitalisation directions by at least the 1% surcharge but preferably further.
- Reallocation nationally of asylum seekers currently housed in Croydon by government departments which are creating a disproportionate and unfunded strain to the Council's budgets.
- Reduction in the number of ex-offenders currently housed in Croydon by government departments, a practice which is creating a disproportionate and unfunded strain to the Council's budgets
- Permission to increase Council Tax beyond the national cap.
- Permission to use the Growth Zone business rates more flexibly within the designated area eg to cover clearing graffiti, all street cleaning and bin collection, all community safety work.
- Capitalisation Directions to deal with legacy issues.
- Capitalisation Directions to smooth the transition to financial and operational sustainability.
- Reform of local government funding to fully reflect demographic demand in Croydon.

1.4 The subsequent work on budget setting from November 2022 onwards identified a fixed annual budget gap of £60m which was impossible to resolve without a level of savings that would hollow out Council services to residents and put vulnerable people at risk. Following discussions with government over the following months, the ask of government was refined to:

- Consideration to be made by government of a council tax increase of up to 10% beyond the Referendum Cap of 5% in 2023/24, so 15% in total providing £22m per annum additional income
- Agreement to a write off of £540m of the Council's debt during 2023/24 to restore financial sustainability by reducing the annual cost of the Council's debt by £38m thus reducing the council's debt levels to be in line with other councils, (albeit still at the upper end of that comparison) .
- As it was very unlikely a debt write off could be achieved by mid February 2023 in time for the Council to set the Council Tax, the request was for a bridging Capitalisation Direction in 2023/24 of £63m to allow the Council to set a balanced budget (the base model £85m gap reduced by the 15% Council Tax proposed above)

- 1.5 The request noted that should the Council Tax increase of 15% and the 2023/24 debt write off be agreed, no further Capitalisation Directions would be required for future years as the Council would be able to become financially sustainable.
- 1.6 A request has also been made of government to provide the Council with a Capitalisation Direction of £161.6m to cover the historic finance issues that have been revealed through the Opening the Books programme. The Council needs to correct a range of misstatements in its legacy accounts from 2019/20 which are currently still not fully closed. This was more than the £74.6m previously identified in the MTFs Update report in November 2022. The Council's Provision for Bad Debt was found to be understated by £46m rather than the £20m previously assumed and a decision was made to include the potential £70m gap in the accounts caused by wrongful accounting for Croydon Affordable Homes and Tenures, instead of the £9m previously assumed. With three years of accounts still open, there remains a risk that further legacy issues will be uncovered.
- 1.7 The government has announced that the Council can increase its Council Tax by 10% above the Referendum Limit of 5% **and the Council is expecting confirmation by the end of February that the government are minded to issue a Capitalisation Direction of £63m to deal with the remaining budget gap in 2023/24, plus a Capitalisation Direction of up to £161.6m in relation to the outstanding legacy issues facing the Council.** Discussions are ongoing between government and the Council in relation to all the other options that could be deployed as set out in 1.3 above.
- 1.8 The Council's financial position is completely unsustainable without new action being taken. There has to be a shared solution between government, the Council and residents as council tax payers and as service recipients and this is being worked through, initially with the limited tools available such as significant savings proposals, increased council tax levels and capitalisation directions. The Council will continue to speak with government about alternative forms of government support that reduce the huge and ongoing financial cost of the Council's debt burden such as the write off or the award of an annual exceptional grant equivalent to the ongoing debt charges generated by the toxic negative equity. The Council is also committed to reducing its operating costs at more than twice the rate of other London Boroughs. It recognises the financial pressures that council tax payers are facing in this period of economic challenge and therefore the impossibility of the full solution being from increases in Council Tax.
- 1.9 The Government appointed Improvement and Assurance Panel (IAP) have been briefed throughout the process on the Council's financial assumptions and ask of Government, The IAP have been supportive of the Council's direction of travel and the need to request additional financial support from Government given the scale of the challenge facing Croydon.
- 1.10 There has been well documented poor judgement and flawed decision making that has created the financially unsustainable position the Council is currently in. The Council is anticipating it will be able to publish new reports in the near future that explain in greater detail than previously possible, what went wrong and the actions it intends to take to hold individuals to account.
- 1.11 The Council is obliged to set a balanced budget and council tax charge in accordance with the Local Government Finance Act 1992. The 2023/24 revenue budget proposals are set out regarding:
- A council tax increase of 12.99% and a 2% increase in the adult social care precept levy.
 - Proposed savings, demand pressures, and inflation.

- Legacy financial issues and budget corrections
- Fees and charges
- Budget risks, reserves and balances
- An update on discussions with government.

2. RECOMMENDATIONS

The Executive Mayor in Cabinet is asked to:

- 2.1 Consider the responses to the budget engagement with residents and businesses as set out in Section 10 and Appendix I.
- 2.2 Consider and have due regard to the equalities impact assessment undertaken on the budget proposals as set out in Section 15.
- 2.3 Approve the responses to the Scrutiny and Overview Committee recommendations (to follow) on the budget proposals as set out in Section 20.
- 2.4 Approve that Directors be authorised to implement their service plans for 2023/24 in accordance with the recommendations within this report, the Council's Constitution, Financial Regulations, relevant Schemes of Delegation and undertake any further consultation required regarding the Equalities Impact Assessment
- 2.5 Propose to Full Council for approval an increase in the Croydon element of the 2023/24 council tax charge by 12.99% (Band D £203.95).
- 2.6 Propose to Full Council for approval a 2% increase (Band D £31.40) in the 2023/24 Adult Social Care precept levy.
- 2.7 Note, based on the Mayor of London's draft consolidated budget, a 9.7% (Band D £38.55) increase regarding the Greater London Authority precept.
- 2.8 Propose to Full Council for approval the calculation of budget requirement and council tax as set out in Appendix G and note that the inclusion of the GLA precept will result in a total increase of 13.93% (Band D £273.91) in the overall Croydon council tax bill.
- 2.9 Propose to Full Council for approval the setting of the Council's own total net expenditure budget for 2023/24 at £340.911m.
- 2.10 Propose to Full Council for approval the detailed programme of revenue savings, income, demand pressures and legacy budget corrections, by directorate, as set out in Appendix C.
- 2.11 Propose to Full Council the proposed £10m budget in 2023/24 to support delivery of the transformation programme.
- 2.12 Propose to Full Council for approval that the Corporate Director of Resources be authorised to collect and recover National Non-Domestic Rate and council tax in accordance with the Local Government Finance Act 1988 (as amended), the Local Government Finance Act 1992.

- 2.13 Note the revenue budget assumptions detailed in the report and budget projections to 2025/26 made by the Corporate Director of Resources in agreement with the Chief Executive and with the Corporate Management Team.
- 2.14 Note the Council's request for a capitalisation direction from the Department of Levelling Up, Housing and Communities [DLUHC] of up to £300.6m (£161.6m in 2022/23 regarding legacy finance issues and £139m regarding 2023/24 to 2025/26, annually £63m, £38m and £38m respectively).
- 2.15 Note that all Directors will be required to report on their projected financial position compared to their revenue estimates in accordance with the 2023/24 monthly financial performance reporting timetable.
- 2.16 Note the statement (section 11 of the Report) of the Corporate Director of Resources, under Section 25 of the Local Government Act 2003, regarding the adequacy of reserves and robustness of estimates.
- 2.17 Note that the provisional Dedicated Schools Grant allocation for 2023/24 will increase by £26.310m to £427.688m (section 12 of the Report).

3. BACKGROUND

- 3.1 Croydon's finances, and those of the wider local government sector, are under strain from the sharp upturn in inflation, the impact of cost-of-living pressures on local communities and an increase in demand for essential social care and welfare services. The financial challenge for Croydon is compounded by significant, and independently well documented, local legacy (governance, financial, service delivery and structural) issues.

National Background

- 3.2 The Chancellor of the Exchequer gave an update on the state of the public finances and the performance of the economy in the Autumn Statement¹ 2022. The economic and fiscal outlook set out in the Statement included:
- A forecast increase in interest rates to levels not seen since the 2008 financial crisis.
 - A forecast increase in Consumer Price Index (CPI) inflation to a 40-year high of 11% in Quarter 4 2022 before dropping sharply in 2024.
 - A forecast rise in national unemployment of 505,000 from 3.5% to a peak of 4.9% in Quarter 3 2024.
 - A material worsening in the medium-term fiscal outlook over the past year due to the weaker economy, higher interest rates and higher inflation

¹ Autumn Statement - HM Treasury 17 November 2022

- 3.3 The uncertain national financial environment makes local authority financial planning (including detailed forecasting and modelling) and good financial management more difficult. The rise in the cost of living will increase demand for needs based local services, such as homelessness prevention, impact on income collection rates and increase pay and supplier costs. These impacts are embedded within the 2023/24 Croydon budget proposals with £32.9m set aside as an inflation provision – an increase of £4m from the 2022/23 provision - and a provision of £5.5m for additional economic demand pressures. A range of departmental demand pressures are also met and incorporated within the proposed budget.
- 3.4 The Government’s Autumn Statement recognized some of these issues by raising the referendum cap for council tax increases to 3% (from 2%) and letting social care authorities levy an additional 2% (from 1%) adult social care precept. The government have also delayed their expected Adult Social Care reforms to 2025 and this has enabled some additional funding to be made available. This has also prevented further additional costs needing to be funded at present. In total government grant funding has increased by £7.1m from 2022/23 to 2023/24.
- 3.5 On publication of the Final Local Government Finance Settlement (LGFS)² the Government acknowledged the specific financial pressures faced by Croydon by announcing that the referendum cap for this authority is for a council tax increase of 12.99% and 2% for the adult social care precept. The Croydon budget provides for the maximum available tax increase of 14.99% which will generate £32.3m of additional income - an extra £21m compared to the 4.99% increase set out in the Autumn Statement. The Croydon budget proposals include an increase in support of £2m to protect those low income households that cannot afford to pay their council tax.
- 3.6 More broadly the Local Government Association, in response to the Autumn Statement, have emphasised that essential local services such as social care, planning, waste and recycling collection and leisure centres, continue to face an uncertain future. Demographic growth and an increased complexity of need are adding to social care and other service pressures. These issues are impacting locally and this budget provides an additional £7.6m for adult social care and health demand pressures and as well as recognizing pressures on other council services.

Local Legacy and Structural Issues

- 3.7 The Council’s Executive Mayor has made clear that his number one priority is to “balance the books” and make Croydon a financially and operationally sustainable council which listens to residents and provides good quality services. One of Mayor Perry’s first acts was to launch an ‘Opening the Books’ review to assess the Council’s balance sheet and all financial assumptions and deal with any outstanding legacy accounting issues.
- 3.8 The ‘Opening the Books’ review identified substantial legacy accounting corrections that have one off and ongoing implications for the Council’s budget and revealed how fragile the Council’s level of resilience is to withstand any

²The LGFS was published on 6 February 2023

changes to its forecast budget assumptions over the Medium-Term Financial Strategy period. It also highlighted how structural issues in the Council's finances, such as its level of non-asset backed debt (or negative equity), and disproportionately high level of debt, are preventing the Council's recovery.

- 3.9 The seriousness of the Council's financial position resulted in the Corporate Director of Resources and S151 Officer deciding that Croydon Council's budget is not financially sustainable for the next financial year and issuing a Section 114 Notice from 2023/24 onwards. The section 114 Notice was issued on 22 November 2022. A report was presented to Cabinet on 30 November 2022 and a further report was presented to Council on 12 December 2022, both of which set out the reasons why the S151 Officer has reached this conclusion.
- 3.10 The 30th November 2022 Cabinet report detailed the immediate measures required under the S114 Notice. It also concluded that the Council cannot solve its financial issues on its own and set out a range of requests of government for extraordinary financial and other support.
- 3.11 Subsequent to the issuing of the Section 114 notice the Council has continued to hold discussions with the Department of Levelling Up, Housing and Communities (DLUHC).
- 3.12 To date the specific financial pressures faced by Croydon have been recognized by DLUHC through the announcement that the referendum cap for this authority is for a council tax increase of 12.99% and 2% for the adult social care precept.
- 3.13 The discussions with DLUHC include a request for capitalisation directions of £300.6m. ***This is under consideration and the current budget proposals assume that this will be agreed.*** £161.6m of the requested capitalisation directives relates to legacy financial issues that predate 2023/24 whilst £139m is concerned with the financial years 2023/24 to 2025/26 (£63m, £38m, and £38m respectively).
- 3.14 A budget is now proposed for 2023/24 that includes:
- Savings and change proposals of £33.1m
 - Budget increases of £11.3m to meet demand pressures
 - Budget corrections of £49m to correct structural and legacy issues.
 - Additional income of £28m from a 12.99% council tax increase
 - Additional income of £4.3m from the application of a 2% adult social care precept levy increase.
 - A provision of £32.9m for inflationary pressures (pay and contract).
 - A request for the government to issue capitalisation requests of £316.6m (including £161.6m regarding legacy issues) over the next 3 years.
 - Setting aside £3.7m of new Adult Social Care grant funding pending clarity from government on how it can be used.
- 3.15 The budget proposals also include measures to strengthen the Council's future financial resilience:

- Investment of £10m is proposed in 2023/24 and £5m per annum from 2024/25 onwards in transformation work to change the way the Council operates
- A provision of £5.5m regarding economic demand pressures
- Creating a new Hardship Fund of £2m to provide additional support for low income households that cannot afford to pay their council tax.
- The set aside of £5m per annum as a contingency budget to manage financial pressures.

4. THE 2023/24 BUDGET AND COUNCIL TAX REQUIREMENT

4.1 The determination of Croydon's 2023/24 net budget requirement of £340.911m and council tax requirement of £247.759m is set out in Table 1. The medium-term forecast, to 2025/26, is set out in Appendix A with a departmental and subjective budget summary for 2023/24 provided in Appendix B (to follow for Budget Council). Beyond 2023/24 the medium term forecast highlights a potential budget deficit of £4.277m for 2024/25 and £0.802m in 2025/26. This will inform the financial strategy developed for setting the 2024/25 budget.

Table 1 – 2023/24 Budget and Council Tax Requirement

	£'m
Expenditure base budget rolled forward from 2022/23	316.109
Inflation	32.946
Economic demand pressures	5.500
Council tax – hardship support	2.000
Demand pressures	11.283
Budget correction of legacy issues	49.037
Savings and change proposals	-33.098
Transformation programme	10.000
Contingency funding	5.000
Net cost of borrowing (including new capitalisation directions)	57.919
Reserve set aside of new adult social care grants (pending clarity on their use)	3.734
Gross Budget Requirement	460.430
Core Grants	-38.651
Increase in Adult Social Care Grants	-3.734
Section 31 grant for under indexing the business rates multiplier	-12.419
Government capitalisation directive (£5m existing & £58m new)	-63.000
Use of earmarked reserves (council tax income guarantee)	-1.715
Net Budget Requirement (as per the budget book)	340.911
Prior year collection fund deficit	1.986
Revenue Support Grant	-16.711
Business rates (local income and top-up Grant)	-78.427
Council Tax Requirement (including the adult social care precept)	247.759

5 BUDGET ASSUMPTIONS

5.1 Budget estimates are exactly that, estimates of spending and income at a point in time. The key assumptions that underpin the 2023/24 budget estimate are set out below.

Inflation and Economic Demand Pressures.

5.2 Inflationary pressures have increased markedly over the past year with the December 2022 Consumer Price Index (CPI), the measure targeted by the Bank of England, standing at 10.5%. Whilst this has eased since the October 2022 peak of 11.1% inflation has not been at this level since 1981.

5.3 The drivers behind the sharp upturn in inflation are varied but include the upsurge in energy prices following the Russian invasion of Ukraine, disruption as the world and UK economy recovers from the Covid-19 pandemic and labour shortages.

5.4 In the medium-term the government's central economic forecast, contained in the 2022 Autumn Statement, predicts that 2023 CPI will remain significantly above trend at 7.4% before dropping in 2024. The forecast reduction is due to the anticipated impact of national monetary policy and an easing of the current drivers.

5.5 For Croydon an inflation provision of £32.9m is proposed for 2023/24. This is considered prudent given the current, and forecast, rate of inflation and uncertain national economic background. The provision consists of:

- Catch-up inflation of £1.3m to fully fund 2022/23 pay and contract pressures.
- An allowance of £11.2m for the 2023 pay award. This is consistent with the 2022 pay award and assumes a flat rate increase of £2,226 per full-time equivalent employee plus an increase in relevant national insurance and employer contributions. This equates to an approximate increase of 6.5% in current employee budgets.
- An allowance of £20.4m for contract inflation. This is unchanged from 2022/23 given the government forecast that 2023 CPI inflation will remain significantly above trend.

5.6 The use of the 2023/24 inflation provision will be controlled corporately and drawn down in accordance with the national pay award and agreement of specific departmental pressures. The latest report³ of the Bank of England Monetary Policy Committee highlighted downside and upside risks to their latest inflation forecast, for example the downside impact if geopolitical tensions and supply disruption ease more quickly, or upside risk if there is a sharper-than-expected tightening in global financial conditions. For Croydon the risk that actual inflationary pressures will be significantly more, or less, than budgeted will be closely monitored with updates provided within the monthly Cabinet financial performance reports

5.7 For 2024/25 the forecast budget allows for a lower inflation provision of £17m with a provision of £12m per annum thereafter. This assumes that inflationary pressures ease in line with government forecasting.

- 5.8 An increase in inflation does not only affect council costs. For example, the rising cost of living may have a broader impact on:
- A greater demand for council services, such as social care, homelessness prevention.
 - Reduced income streams, e.g from council tax, parking or leisure.
 - Contract negotiations with key suppliers and requests for additional funding.
 - The need to provide additional short-term support to residents.
- 5.9 A £5.5m provision is set aside within the 2023/24 budget proposals in recognition of the potential impact of economic demand pressures on Croydon. The funding will be held corporately and any use reported through the monthly Cabinet financial performance reports in line with the Council's Scheme of Delegation. A budget of £2m is also set aside as a new Council Tax Hardship Fund to protect low income households that find themselves in financial difficulty due to the increase in the Council Tax.

Demand Pressures and Legacy Budget Corrections

- 5.10 Budget increases are necessary to meet demand pressures, such as those arising from demographic growth, and to correct legacy issues. The 'Opening the Books' review identified substantial legacy accounting corrections that have one off and ongoing implications for the Council's budget. A summary of the proposed budget changes, by department, is set out in Table 2 with the individual proposals set out in Appendix C.

Table 2 – 2023/24 Demand Pressures and Budget Corrections

Department	Demand Pressures £'000s	Legacy Budget Corrections £'000s	Total £'000s
Children, Young People and Education	0	5,188	5,188
Adult Social Care and Health	7,621	1,648	9,269
Housing	0	5,286	5,286
Sustainable Communities Regeneration and Economic Recovery	1,180	14,759	15,939
Assistant Chief Executive	1,230	2,001	3,231
Resources	1,195	11,271	12,466
Corporate	57	8,884	8,941
Total	11,283	49,037	60,320

- 5.11 The Opening the Books project was launched by the Mayor in July 2022 to improve the Council's understanding of current financial risks and to work towards a sustainable financial future. Extensive work has been done on the Council's budgets and accounts to establish its true financial position.
- 5.12 The latest estimate is that legacy financial failures will cost £161.6m to the end of 2022/23. The adjustments required are:

- £70m for the correction to Croydon Affordable Homes/Croydon Affordable Tenures (this issue is not yet concluded with the Council's external auditors but the maximum adjustment is being assumed for the purpose of setting the 2023/24 budget)
- £40m (£10m per annum) for corrections from 2019/20 to 2022/23 regarding the realignment of the HRA, General Fund and Capital programme recharges
- £5.6m for the historic minimum revenue provision debt repayment correction
- £46m regarding the historic bad debt provision shortfall.

5.13 The council is seeking extraordinary financial support from government, also known as a capitalisation directive, of £161.6m to finance all the legacy adjustments prior to 2023/24.

5.14 There is an on-going impact of these legacy adjustments in 2023/24 and beyond. Namely:

- £9.6m per annum regarding the realignment of HRA and General fund recharges
- £2m regarding salaries wrongly capitalised
- £2.6m regarding the increase in MRP. This is shown as an increase in the net cost of borrowing.

There are also debt financing costs regarding the capitalisation directive of £161.6m. Overall debt financing costs⁴ are budgeted to increase by £13.6m from 2022/23 to 2023/24.

5.15 The monthly 2022/23 budget monitoring and the Opening the Books work have identified further examples of inaccurate budgeting across the Council. These are now corrected. Most notably pressures of £19m (6.8% of the net budget requirement) arose in the setting of three specific budgets for 2022/23:

- Parking income – the reduction in demand for parking in the borough following the pandemic should have been better reflected in the assumptions for projected activity in 2022/23
- New traffic income projections were included with insufficient contingency built in to reflect the operational challenges of implementing new traffic schemes
- A deficit in the Housing Benefit budget for 2021/22 was only picked up at the very end of the 2021/22 financial year and therefore was not built into the 2022/23 budget.

5.16 The proposed budget corrections for legacy issues are detailed in Appendix C. In total they amount to £49m, 14% of the net budget requirement, for 2023/24.

⁴ Interest payable and the minimum revenue provision

- 5.17 As well as correcting legacy and 2022/23 budget issues the 2023/24 budget proposals respond to local and national pressures. These amount to £11.3m and include:
- £7.6m for demographic and cost pressures in Adult Social Care.
 - £1.1m regarding Croydon’s contribution towards the cost of TfL’s freedom pass. This is due to higher costs charged by the transport operators and higher usage as part of Covid recovery.
 - £1.0m regarding the impact of the 2022 rates revaluation on properties held by Croydon.

Savings and Transformation

- 5.18 Given Croydon’s financial challenges, the Council must reduce its expenditure significantly over the medium-term. That will mean difficult decisions on the services the council provides and ultimately, as set out in the Mayor’s Business Plan, the council will need to do less and spend less in the future.
- 5.19 Although unable to identify sufficient savings to meet the projected budget gap for 2023/24, £36.2m of savings are proposed for 2023/24. The proposed savings were developed through a series of Star Chambers over the summer. They also incorporate confirmed future year savings that were put forward in the March 2022 General Fund Budget Report. The proposed savings are detailed in Appendix C and summarised by department in Table 3.

Table 3 – Proposed 2023/24 Budget Savings and Change proposals by Department

Department	£000s
Children, Young People and Education	6,920
Adult Social Care and Health	12,243
Housing	2,305
Sustainable Communities Regeneration and Economic Recovery	1,859

Assistant Chief Executive	2,924
Resources	6,347
Corporate	500
Total (Appendix C)	33,098
Debt financing saving from asset disposals ⁵	3,000
Overall	36,098

5.20 Rather than leave services hollowed-out, the future savings programme will consider stopping some areas of discretionary spend entirely whilst focusing on the Mayor's priorities.

1. The Council balances its books, listens to residents and delivers good, sustainable services.
2. Croydon is a place of opportunity for business, earning and learning.
3. Every child and young person in Croydon has the chance to thrive, learn and fulfil their potential.
4. Croydon is a cleaner, safer and healthier place, a borough to be proud of.
5. People can lead healthier and independent lives for longer.

5.21 Examples of early savings being delivered through Transformation in 2023/24 include:

- A programme of asset disposals to generate capital receipts that will partially mitigate the Council's increasing reliance on external borrowing. The current modelling allows for annual receipts of £50m per annum from 2022/23 to 2025/26 and incremental estimated revenue savings of £3m per annum. Despite this saving the overall net cost of borrowing is budgeted to increase by £24m by 2025/26. This increase is mainly driven by the need to use new capitalisation directions.
- A saving of £1.483m from a review of the housing benefits service

5.22 The Mayor asked officers to draw up a programme of cross-directorate transformation savings to drive the Council's financial recovery. The initial programme, and current estimated cost, is set out in Appendix D and already consists of over 30 projects. Expenditure of £5.934m is currently forecast of which £4.622m is due to be charged against the 2022/23 Capital Programme under the government's Flexible Use of Capital Receipts programme. The balance of £1.312m, and other 2023/24 costs, will be charged against the newly established £10m revenue budget for delivering transformation. Providing capacity to deliver the transformation plans safely and sustainably is a key priority. Work is underway to resource this.

5.23 The Government appointed an Improvement and Assurance Panel (IAP) to provide external advice, challenge and expertise to the Council, along with providing assurance to the Secretary of State that the Council was delivering against the previously agreed Croydon Renewal Plan.

⁵ This saving is reported through the net cost of borrowing budget.

5.24 Discussions have continued with the IAP regarding the pace of change that can be sustainably delivered. It was advice from the IAP that led to the £10m transformation revenue budget being established for 2023/24. This is included in the MTFs, although it is reduced to an ongoing budget of £5m from 2024/25 onwards. The IAP also advise the Council that the target level of savings deliverable each year beyond 2024/25 should not exceed £20m as continuing to deliver £40m in savings each year, in line with the last two years and plans for £36m next year, is not sustainable. This £20m target is modelled within the MTFs for 2024/25 and beyond.

Net Cost of Borrowing

5.25 Historic decisions regarding the capital programme mean that the Council's outstanding General Fund debt is disproportionately high compared to most councils. The revenue cost of financing that debt represented 14% of the Council's original 2022/23 net budget when most councils are in the range of 5-10%.

5.26 As well as having a high level of debt Croydon's future borrowing costs are impacted by:

- The need for the Council to ensure a prudent sum is set aside each year, within the revenue budget, for the long-term repayment of debt. This sum is known as the 'minimum revenue provision (MRP)' and it is recognised as prudent practice for a Council's MRP to be at least 2% of its underlying need to borrow (known as the Capital Financing Requirement). The proposed agreement of a new MRP strategy that will meet the minimum 2% threshold is recommended in the Treasury Management Strategy Report (due to be considered as part of the suite of Finance Reports going to Budget Council). On an on-going basis the new MRP strategy will add £2.6m per annum to the original 2023/24 budget estimate.
- The Council's General Fund external debt was £1.3 billion at April 2022. Of this sum £346m (33% of the brought forward total) is redeemable in year. The average interest at which the £346m was originally borrowed was 0.7% compared to current long-term borrowing costs in excess of 4%. The interest payable on external debt is budgeted to cost £7m more per annum in 2023/24.

5.27 Overall an increase of £17.5m is made in the 2023/24 budget for the net cost of borrowing. This takes account of the increase in MRP, additional loan refinancing costs and impact of the additional capitalisation directions, movement in the 2023/24 capital programme and adjustments to the investment income earned by the Council. This takes the proportion of the Council's net budget spent on borrowing costs to 17%.

Government Grant and Business Rates Funding

5.28 The Final Local Government Finance Settlement (LGFS) was announced by a written Ministerial statement on 6th February 2023. The core grant and

revenue support grant funding receivable by Croydon in 2023/24 is set out in in Appendix E. There is a net increase of £3.383m from 2022/23 in general grants and an extra £3.734m regarding adult social care.

5.29 The provisional local government finance settlement confirmed that the government are pushing back their planned reforms regarding the 'fair cost' of adult social care to 2025. The government funding that was set aside for this reform is now released, alongside other resources, for the following adult social care grants:

- £1.399m regarding a new adult social care discharge fund
- An increase of £2.335m in the market sustainability and improvement fund (this replaces the previous market sustainability and fair cost of care funding).

5.30 The terms and conditions regarding the additional adult social care grants are not yet confirmed but are expected to be for improvements to adult social care and to address discharge delays, social care waiting times, low fee rates and workforce pressures in the adult social care sector.

5.31 For budget purposes it is assumed that the additional social care grants will be set aside as a reserve prior to 'passporting them' to adult social care. Clarity is required from government on the use of the additional funding and what sum, if any, can be used to meet existing adult social care growth and inflationary pressures.

5.32 The Council received a New Homes Bonus Grant allocation of £1.646m in 2023/24. This grant has reduced significantly in recent years and the 2023/24 payment is the last 'legacy' payment due in respect of prior government commitments. The future of the grant is uncertain in 2024/25 and is not included within the future Croydon grant forecast. No other major reforms are expected to the grant distribution methodology in 2024/25 with a government review expected in time for 2025/26.

5.33 The business rates forecast is summarised in Appendix F. It is based on the annual government return (NNDR1) submitted by Croydon by the 31 January 2023 deadline. The 2023/24 forecast includes a drawdown from the business rate relief reserve (which was funded from government grant) of £12.1m that offsets a prior year adjustment made for rate reliefs granted during the covid-19 pandemic.

5.34 A complication regarding business rates is that a revaluation, the first since 2017, is effective from 1 April 2023 that will change the rates payable for all businesses in Croydon. The impact of the revaluation on the income receivable by Croydon is expected to be neutral as compensating adjustments should be made through the business rates system.

5.35 Table 4 sets out, using draft data⁶, a high-level analysis of the underlying impact of the revaluation on different types of business within Croydon. Whist

⁶ Issued by the Valuation Office Agency (a government executive agency) in November 2022. The revaluation will come into effect on 1 April 2023 based on rateable values from 1 April 2021.

the average increase is 7.5% there are marked differences between property types. Transitional arrangements will apply to 'smooth' the impact of those values that increase. The Croydon increase of 7.5% is above the England average of 7.3% and below the Outer London average increase of 11.3%.

Table 4 – Increase in Rateable Values Since 2017

Category	Percentage change in rateable value since 2017
Treasury Retail	-13%
Industry	+42%
Office	+23%
Other	+5%
Average	+7.5%

5.36 The increase in rateable values will impact on Croydon as a business ratepayer. A provision of £1.0m is included within the 2023/24 growth proposals for this purpose and a further £0.75m in 2024/25

6. REQUEST FOR GOVERNMENT SUPPORT

6.1 The scale of the financial challenge facing Croydon Council means that it cannot become financially and operationally sustainable without significant, new and different central government assistance.

6.2 The Council is in dialogue with central government over the type, and level, of such support. Previous government support involved the award of Capitalisation Directions which allowed the Council to charge revenue costs to capital. This meant in-year running costs in 2020/21, 2021/22, 2022/23 and 2023/24 of £70m, £50m, £25m and £5m respectively could be funded from either selling assets or through borrowing with the costs spread over 20 years.

6.3 The current MTFs modelling sets out the full scope of what government support may be required to bridge the estimated annual shortfalls of £63m for 2023/24 and £38m for 2024/25 and 2025/26. This report has also set out in 5.12 above that there is a need for a £161.6m legacy adjustment for which a Capitalisation Direction is also being requested. This is higher than estimated in November 2022 as, for the purposes of budget setting, the assumption has been made that a charge of £70m will need to be made to reserves in respect of Croydon Affordable Homes/Tenures in 2019/20 even though this issue is not yet concluded with the Council's external auditors.

Table 5 – Request for Government Support

	£'m
Legacy issues to 2022/23	161.6
2023/24 - Existing	5.0
2023/24 - New	58.0
2024/25	38.0
2025/26	38.0
Total government support	300.6

- 6.4 Allowance has been made within the budget forecast for the additional flexibility granted within the LGFS for Croydon to increase Council Tax by 12.99% and the Adult Social Care precept by 2%. For financial planning purposes it is assumed that the remaining government assistance will again be provided through capitalisation directives. This requires this debt to be repaid over 20 years and interest charged on the debt at a 1% surcharge over normal local government borrowing costs. This cost is included in the 2023/24 budget and future MTFs. By 2025/26 it is estimated that the external interest payable on the Council's debt and sum set aside for revenue debt repayment (MRP) will be £65.2m which is an estimated 19% of the net budget requirement. Most other local authorities have debt revenue financing costs in the range of 5-10%.
- 6.5 The Council is making the case to central government that the Extraordinary Financial Support model they have in place with its sole reliance on Capitalisation Directions has hindered Croydon's return to financial sustainability. The debt repayment burden this generates requires the Council to deliver a disproportionately high and unsustainable level of savings in order to fund the annual cost of repayment. As an example, had the previous £150m in Capitalisation Directions had not been required, it is estimated that the current debt financing costs would be £9m per annum lower.
- 6.6 As well as the greater flexibility regarding council tax levels, requests from the Council include spreading the debt repayment over a longer period (say 100 years), reducing the 1% surcharge on local government borrowing and most importantly the write-off of historic council debt of £540m. Such a write-off would re-establish debt on a par with other councils and deliver an estimated saving of £38m per annum in debt financing costs and would mean the Council becomes financially sustainable.
- 6.7 The budget forecast will be updated in accordance with the on-going discussions with central government.

7. COUNCIL TAX BASE AND CHARGE

- 7.1 The determination of the tax base is delegated to the Corporate Director of Resources (S151) Officer and is 137,230.9 Band D equivalents for 2023/24. This is an increase of 860 Band D equivalent households from 2022/23 to 2023/24. The report agreed by the Corporate Director of Resources (S151) Officer is attached as Appendix G with the main changes summarised below:
- An uplift of 1.13% in the assumed number of properties in accordance with the average Croydon growth over the past 5 years.
 - A reduction, due to current year trend data and concern over the the impact of increasing cost-of-living pressures, in the assumed collection rate from 98.5% to 97.5%.
- 7.2 The Band D council tax charge for Croydon is calculated by dividing the council tax requirement by the council tax base. The figures for 2023/24 are:

A	Croydon Council Tax Requirement	£247,759,412
B	Tax Base (Band D equivalent)	137,230.9
A / B	Band D Charge	£1,805.42

- 7.3 This represents an increase in the Croydon element of the council tax charge of 12.99% and a 2% levy for the adult social care precept. The weekly increase in the Band D charge for the Croydon element of council tax is £4.51 (annual £235.35 and daily £0.64)
- 7.4 As part of the Localism Act 2011, the Government replaced the power to cap excessive budgets and council tax increases with compulsory referenda on council tax increases above limits it sets. For 2023/24 the relevant basic amount of council tax of Croydon London Borough Council has been determined by government as being excessive only 'if the authority's relevant basic amount of council tax for 2023-24 is 15% (comprising 2% for expenditure on adult social care, and 13% for other expenditure), or more than 15%, greater than its relevant basic amount of council tax for 2022-23'.

8. PRECEPTOR'S COUNCIL TAX REQUIREMENTS

- 8.1 The Greater London Authority's (GLA) precept is also funded from council tax. The following table analyses the total amount to be funded and the resulting proposed overall Band D council tax level.

A	GLA Council Tax Requirement	£59,577,423
B	Tax Base (Band D equivalent)	137,230.9
A / B	Band D Charge	£434.14

8.2 The Mayor for London has proposed a Band D charge of £434.14. This is subject to formal approval by the Mayor for London following the London Assembly meeting of 23 February 2023. The proposed charge represents an increase of £38.55, or 9.7%, compared to 2022/23.

9 TOTAL 2023/24 COUNCIL TAX REQUIREMENT

9.1 The overall amount to be met from the council tax, subject to confirmation of the GLA precept, is £285.792m.

A	Croydon Council Tax Requirement	£247,759,412
B	GLA Council Tax Requirement	£59,577,423
C	Total Council Tax Requirement	£307,336,835

9.2 In accordance with the Local Government Finance Act 1992, the Council is required to calculate and approve a council tax requirement for its own budgetary purposes (section 9) and then add the separate council tax requirements for each of the preceptors (section 10). The requisite calculation is set out in Appendix H.

9.3 The Council must then set the overall council tax for the Borough. These calculations must be carried out for each of the valuation bands, A to H. The amount per Band D equivalent property is calculated as follows:

A	Total Council Tax Requirement	£307,336,835
B	Tax Base (Band D equivalent)	137,230.9
A/B	Band D Charge	£2,239.56

Prior year Collection Fund adjustments

9.4 The Local Government and Finance Act 1988 requires that all council tax and non-domestic rates income is paid into a Collection Fund, along with payments out regarding the Greater London Authority precept, the business rates retention scheme and a contribution towards a Council's own General Fund. Adjustments are made to future years for the difference between the actual, and budgeted income collected.

9.5 For Croydon a net council tax collection fund deficit of £2.428m is estimated for 2022/23 (after allowance for the government regulation that allowed the 2020/21 estimated deficit due to the impact of Covid-19 to be spread over three years). The Croydon share is estimated at £1.986m. Croydon currently

holds an earmarked reserve established during Covid, that was established to offset future council tax or business rate income adjustments. The 2023/24 Budget provides for £1.715m of this reserve to be used regarding the Croydon share of the prior year deficit.

10. BUDGET ENGAGEMENT

10.1 An update on the Medium-Term Financial Strategy 2023/24 to 2025/26 was considered by Cabinet on 30 November 2022. It was agreed that there should be a period of public engagement on the proposals for returning the Council to financial and operational sustainability that included:

- The savings options
- The transformation programme
- The list of assets for disposal.
- The closure of Whitehorse Day Centre.
- The closure of Cherry Orchard Garden Centre

10.2 The Council recognizes that it is very important that there is an opportunity for Croydon's residents, businesses, partners, voluntary and community sector and other interested parties to ask questions on these matters and to feedback their views and concerns.

10.3 A public engagement programme was launched with residents, businesses, partners, the voluntary and community sector and other interested parties on the revenue budget and capital programme proposals set out in the 30 November 2022 Cabinet Report.

10.4 Change of this degree is also unsettling for the Council's staff on whom we rely on to deliver the Council's services. Staff have been communicated with about the Council's financial situation and staff and trade unions will be formally consulted as required.

10.5 The Budget Engagement programme ran from 1 December 2022 to 8 January 2023 on the Council's online platform. The results on the consultation are set out in Appendix I.

11 VIEWS OF THE DIRECTOR OF FINANCE

The robustness of the budget estimates

11.1 Under Section 25 of the Local Government Act 2003, the Corporate Director of Resources (Section 151 Chief Finance Officer) is required to include, in the budget report, her view of the robustness of the 2023/24 estimates.

11.2 Budget estimates are exactly that, estimates of spending and income at a point in time. This statement about the robustness of estimates cannot give a guaranteed assurance about the budget but gives Members reasonable assurances that the budget has been based on the best available information and assumptions. For the reasons set out below, the Corporate Director of Resources is satisfied with the accuracy and robustness of the estimates included in this report:

- The budget proposals have been developed following guidance from the Corporate Director of Resources and have been through a robust process of development and challenge with the Executive Mayor, Scrutiny and Cabinet Members, the Chief Executive and the Corporate Management Team, service directors and managers.
- The 'Opening the Books' review has identified substantial accounting corrections that have one-off and on-going implications for the Council's budget. These are recognized in the proposed 2023/24 Budget and Medium-Term Financial Strategy to 2025/26.
- Constructive dialogue has been undertaken with central government and the Improvement and Assurance Panel with Croydon gaining additional flexibility to increase 2023/24 council tax by upto 14.99% (including 2% for adult social care expenditure)
- An increased provision of £32.9m is set aside for inflation and takes reasonable account of potential future pay awards and the government forecast⁷ for continued inflationary pressures.
- A £5.5m provision has been set aside regarding economic demand pressures.
- The revenue budget proposals provide for the Council to hold an unallocated contingency of £5m to meet unforeseen budget pressures.
- Service managers have made reasonable assumptions about growth pressures which, following corporate challenge were not manageable within current budgets, and have resulted in additional essential investment
- Rigorous mechanisms are in place to monitor sensitive areas of expenditure with regular assurance meetings held to ensure that all proposals within the medium-term financial strategy are managed well and that budgets remained on track during the year.
- The use of budget monitoring in 2022/23 to re-align budgets where required with mitigating actions identified to meet budget pressures and growth provided when needed. As a result of the stringent approach to monitoring, the latest Month 8 Financial Performance Report predicts that the Council is likely to be able to balance its in-year budget pressures.
- Key risks have been identified and considered.
- Prudent assumptions have been made about interest rates payable and the budget proposals comply with the requirements of the Prudential Code and Treasury Management Strategy. The revenue effects of the capital

⁷ Autumn Statement 2022 – Inflation forecast to be 7.4% in 2023.

programme are reflected in the budget with an increase of £17.5m in the revenue net cost of borrowing.

- Allowance is made for the debt financing costs that will arise from the requested additional capitalisation directions.
- Fees and charges have been reviewed and the recommendations made are incorporated within the budget
- Corporate and Directorate Management Teams have been involved in the detailed development of the proposed savings and have confirmed their deliverability.
- Cabinet Members have reviewed and challenged all budget proposals. In addition, the relevant Scrutiny Committees have considered the budget proposals they wished to.
- A prudent approach has been adopted on the local share of business rates income and council tax income receivable with detailed financial modelling used to support the forecast.
- A new Hardship Fund of £2m has been set aside to protect those low income households that find themselves in financial difficulty due to the increase in Council Tax.
- Regular benchmarking is undertaken against 'statistical neighbour councils' to ensure budgets are not unreasonable.

Risk, revenue balances and earmarked reserves

11.3 Under Section 25 of the Local Government Act 2003, the Corporate Director of Resources (Section 151 Officer) is required to include in budget reports, her view of the adequacy of the balances and reserves the budget provides for in light of the medium-term risks facing the authority.

11.4 Reserves play a crucial role in good public financial management. They enable investment in service transformation and provide resilience against unexpected events or emergent needs. As one-off resources they can only be spent once. The Council has a well documented history of the imprudent use of reserves to balance its budget. It is the view of the Corporate Director of Resources that next year's budget proposals only include prudent and appropriate use of reserves to meet one off costs.

11.5 Croydon faces a range of substantial financial risks that may require the use of reserves. These include:

- Key departmental financial risks as set out in Appendix J
- The outcome of discussions with central government on the Council's request for additional capitalisation direction / assistance of £300.6m.
- A further upturn in inflation and impact of the rising cost of living. Against this risk the Council has set aside an inflation provision of £32.9m and a £5.5m provision regarding economic demand pressures on services.
- Addressing pent-up demand as part of the Covid-19 recovery.

- Hospital discharge delays and pressures in the adult social care sector regarding social care waiting times, fee rates and workforce capacity.
- There is a risk that the number of children in care or the number of homeless families in the borough increases beyond what can be accommodated within existing budgets
- The risk of recession and impact on demand for council services and income streams, such as business rates, council tax or parking charges.
- Additional financial issues coming to light as part of the Opening the Books project and the continued external audit of the past 3 years of the Council's annual accounts.
- It has been concluded that monies received by the Council in relation to Croydon Affordable Homes were incorrectly treated and needs to be reversed in the 2019/20 accounts. This report assumes that the impact is a £70m charge to the Council's reserves but discussions are not yet concluded with the External Auditor, Grant Thornton, and therefore the charge may be larger, or smaller. This is a prudent assumption.
- The impact of the wider economy on major Council development projects and future capital receipts.
- The future impact on London of the government's 'levelling-up' agenda and wider local government finance reform (such as business rates).
- A significant upturn in interest rates. This would impact on both the core borrowing undertaken to finance the historic capital programme and future borrowing regarding the use of capitalisation directives.
- The impact of, and costs of tackling, climate change.
- The challenge of identifying further significant future savings that balance the budget over the longer-term. The current MTFS modelling identifies a target for new savings of £20m per annum beyond 2023/24. However, there is an annual £38m shortfall driven by the cost of that debt in the Council's ongoing annual budget which is currently assumed to be funded from annual Capitalisation Directions from government, which in turn will generate more cost pressures from their annual MRP payments. This is not a sustainable financial position and needs to be resolved.

11.6 Over the past 3 years Croydon has taken robust action to restore reserves from a negative base. The legacy Capitalisation Direction request will also maintain existing reserves at an adequate level as a cushion against further unpredicted events or emergencies.

Table 7 – Reserves Carried Forward to 2022/23

	Balance 1st April 2022 £'m
Earmarked Reserves	65.6
Restricted Reserves	46.7

Sums set aside regarding business rate rebates	19.6
Balances held by Schools	8.1
General Fund Balances	27.5
Total	167.5

11.7 Croydon holds reserves for the following main purposes.

- As a contingency to cushion the impact of unexpected events or emergencies – this forms part of general balances. The Council’s general fund balance was £27.5m at the start of 2022/23 and is not anticipated to change prior to the start of 2023/24. The Corporate Director of Resources is of the view that this should be the minimum level of general fund balance that the Council holds given its scale, complexity as a unitary council and historically high risk profile.
- To build up funds for known or predicted requirements; these specific reserves are known as earmarked reserves. The balance at the start of 2022/23 was £65.6m.
- Restricted reserves are also earmarked but there are more constraints, such as grant terms and conditions, on how the council can use such funding. The largest restricted reserve is £23.1m relating to business rates income ringfenced for use in the Croydon growth zone.
- Specific reserves relating to school balances and the funding of business rate rebates as part of the government’s Covid measures. As set out in Appendix F the 2023/24 business rates income forecast includes a drawdown from the business rate relief reserve (which was funded from government grant) of £12.1m that offsets a prior year adjustment made for rate reliefs granted during the covid-19 pandemic.

12. DEDICATED SCHOOLS GRANT

12.1 Dedicated Schools Grant (DSG) is paid to the Council by the Secretary of State under Section 14 of the Education Act 2003. DSG is provided outside of the local government finance settlement and must be allocated, in line with the associated conditions of the School and Early Years Finance Regulations, to the schools’ budget in the year in which it is paid.

12.2 As shown in Table 8 Croydon’s provisional DSG allocation for 2023/24 will increase by £26.310m to £427.688m. The key growth areas are the High Needs, Early Years and Schools Block.

Table 8 – Croydon DSG Allocations

Financial Year	Schools Block	Central Services Block	High Needs Block	Early Years Block	Total DSG
	(£'m)	(£'m)	(£'m)	(£m)	(£m)
2022/23	285.662	5.302	82.205	28.208	401.378
2023/24	302.879	4.728	89.704	30.377	427.688
Change	17.217	-574	7.499	2.169	26.310

12.3 **Schools Block** - The Schools Block of £302.9m funds mainstream schools from reception class to Year 11 (nursery and sixth-form funding are excluded). Croydon has 109 schools with 50,476 pupils according to the most recent Department for Education (DfE) data.

12.4 Whilst local authorities allocate the school's block budget the DfE is moving towards implementing a National Funding Formula. For 2023/24 local authorities must move their local formula factor values at least 10% closer to the NFF, except where their local factor is already mirroring the NFF.

12.5 Croydon local factors have largely mirrored the NFF in recent years and the current changes are not expected to have any significant impact. There may be a small benefit for secondary schools.

12.6 Table 9 sets out the funding breakdown of the Schools Block across primary and secondary schools and the percentage grant change from 2022/23.

Table 9 – Schools Block

	2022/23 (A)	2023/24 (B)	Total Change (C) = (B) - (A)	Value change	Percentage Change
	(A)	(B)	(C)		
Primary School Rate of Funding (£'s)	4,944.68	5,199.40	254.72	£8,000,755	5.15%
Primary School Pupil Numbers (no)	31,410.00	31,280.50	-129.50	-£673,322	-0.41%
Primary Block Funding (£'s)	155,312,398	162,639,831	7,327,432	7,327,432	4.74%
Secondary school Rate of Funding (£'s)	6,628.19	7,029.36	401.17	£7,583,717	6.05%
Secondary school Pupil Numbers (No)	18,904.00	19,195.50	291.50	£2,049,058	1.54%
Secondary Block Funding	125,299,303	134,932,079	9,632,776	9,632,776	7.59%

Premises (£; s)	3,092,041	3,243,546	151,505	151,505	4.90%
Growth (£'s)	1,958,648	2,063,504	104,856	104,856	5.35%
Overall Total	285,662,391	302,878,961	17,216,570	17,216,570	

- 12.7 Primary school numbers have fallen by 129 pupils (31,410 - 31,281), whilst secondary school numbers have increased by 291 (18,904 - 19,195). Several primary schools are facing financial challenges due to a reduction in their pupil numbers over recent years. Schools Forum have indicated that they will consider the fall in roll issue at a future date when much information is available on the numbers of school affected.
- 12.8 The funding formula factors used to determine each individual school budget allocation are set by the DfE and this was shared with Croydon on the 8th of August 2022. The funding rates and local factors were reviewed and thereafter recommended by Croydon Schools Forum on 7th November 2022 and received subsequent Cabinet approval on 25th January 2023..
- 12.9 **High Needs Block (HNB)** – This grant supports all special education needs (SEN) provision including, maintained special schools, independent special schools and SEN support in mainstream schools. The HNB national funding factors are largely based upon historical factors.
- 12.10As set out in Table 10 there is a 9.12% increase in 2023/24 HNB funding. This is in line with the DfE approach to increase the grant to reflect the growing demands and cost of meeting the needs of the pupils. This includes the minimum funding requirements for special schools highlighted in the 2023/24 DfE operational guide.

Table 10 – High Needs Block

Financial Year	Basic Allocation	Other elements	Import / Export	Hospital education, AP, Teachers pay/pension and supplementary funding factor	Additional high needs allocation (£s)	Total
	(£'s)	(£'s)	(£'s)	(£'s)	(£'s)	(£'s)
2022/23	73,484,936	7,055,654	-2,775,000	1,408,945	3,030,941	82,205,476
2023/24	80,165,501	7,199,777	-2,775,000	1,433,437	3,680,676	89,704,391
Change	6,680,565	144,123	0	24,492	649,735	7,498,915

- 12.11The £7.498m funding increase partially recognises that, over the past 10 years, HNB funding has not kept pace with the rise in pupil numbers, inflationary pressure or greater demand for SEN support. The funding pressures have become more acute since the introduction of the Children and Families Act 2014 and the need to meet the needs of 18- to 25-year-old students. For Croydon there was a budget gap of £3.2m last year.

12.12 Many local authorities have a HNB deficit due to the demands referred to above. If an authority has an overall DSG deficit of one per cent or more at the end of the previous financial year it is required to submit a deficit recovery plan. Croydon has a deficit of £27.6m and has submitted a recovery plan. The Council continues to liaise with the DfE on the plan progress and is engaged with the DfE 'safety valve' (SV) programme. This initiative is designed to assist local authorities with the very highest percentage of cumulative DSG deficits on their balance sheet to reduce the deficit and bring it into a balanced position within 5 years. The government recently confirmed that extension the of Statutory Override for the Dedicated Schools Grant for the next 3 years from 2023-24 to 2025-26. This recent decision by the government means that the DSG deficit is not an immediate financial risks to the local authority.

12.13 **Early Years Block** – This block covers funding for pupil's free entitlement across all early year's settings. There is a universal free entitlement of 15 hours per week, but some pupils are eligible for 30 hours. The funding allocations for 2023/24, compared to 2022/23 are shown in Table 11.

Table 11 – Early Years Block

	2022/23	2023/24	Total Change
3&4 Year Old Funding Rate (£'s)	5.44	5.78	0.34
3&4 Year Old (Hours)	7,919.62	7,919.62	0.00
15 hrs * 38weeks	570.00	570.00	0.00
3&4 Year Old Funding (£'s)	24,557,157	26,091,980	1,534,822
2 Year Old Funding Rate (£'s)	6.03	6.63	0.60
2 Year Old Funding Rate (Hours)	849.16	849.16	0.00
15 hrs * 38weeks	570.00	570.00	0.00
2 Year Old Funding (£'s)	2,918,647	3,209,060	290,412
Early years pupil premium	163,408	168,855	5,447
Disability access fund	125,600	134,136	8,536
Initial supplementary funding allocation	443,609	773,262	329,653
Total Funding	28,208,422	30,377,293	2,168,871

12.14 An Early Years National Funding Formula was introduced in April 2017. It aims to ensure that all early years settings are funded at the same rates within each local authority. The main risk with this block is the challenges faced by the two Maintained primary schools in deficit due to fall in rolls. The service is working with these schools on their three years deficit recovery plan.

12.15 **Central Services Schools Block** - The Central Services Schools Block (CSSB) consists of two parts – on-going functions and historic commitments.

12.16 For 2023/24 the DfE have reduced funding for historic commitments by 20%. This is in addition to last year's 20% reduction. The DfE have indicated that will protect any local authority should their total historic commitments funding fall below their 2023/24 expenditure on relevant prudential borrowing costs

and termination of employment costs. The 2023/24 CSSB allocations are set out in Table 12.

Table 12 – Central Services Schools Block

	CSSB Unit of Funding	CSSB Pupil Count	On-going Commitments	Funding for Historic Commitments	Total Central School Services Block
	(£'s)		(£'s)	(£'s)	(£'s)
Year 2022/23	54.29	50,314	2,731,547	2,570,400	5,301,947
Year 2023/24	52.93	50,476.	2,671,694	2,056,320	4,728,014
Change	-1.36	162	-59,852	-514,080	-573,932

12.17 On-Going Commitments.

The main expenditure type under on-going responsibilities includes:

- a) licences negotiated centrally by the Secretary of State for all publicly funded schools (sch 2, 8)
- b) Schools Admissions Remission of boarding fees at maintained schools and academies and Servicing of school's forums.
- c) Finance, Internal Audit cost and management salaries related to education functions

The reduction in grant by £0.059m will be met by savings within the service

12.18 Historic Commitments. The 20% funding reduction is £0.514m. This grant reduction places an extra budget pressure on the General Fund and is taken account of within the grant forecast reported in Appendix E. The gradual reduction of the historical Teachers Pension cost may help offset the grant reduction. Review is on-going to clarify if Croydon may receive some protection regarding historic prudential borrowing costs.

13 FINANCIAL IMPLICATIONS

13.1 As set out throughout this report

14 LEGAL IMPLICATIONS

Setting the Council Tax

14.1 The Local Government Finance Act 1992 (“The Act”) sets out the statutory framework for the setting of Council Tax. Section 1 (‘Council tax in respect of dwellings’) provides for the Council, as a billing authority, each financial year, to levy and collect Council Tax in respect of dwellings within its areas.

14.2 Section 30 (‘Amounts for different categories of dwelling’) sets out how the Council should calculate the amount of Council Tax by taking the aggregate of-

- a) the amount which, in relation to the year and the category of dwellings, has been calculated (or last calculated) by the authority in accordance with sections 31A, 31B and 34 to 36
- (b) any amounts which, in relation to the year and the category of dwellings have been calculated in accordance with sections 42A, 42B and 45 to 47 below and have been stated (or last stated) in accordance with section 40 in precepts issued to the authority by major precepting authorities.

14.3 Section 31A (‘Calculation of council tax requirements by authorities in England’) provides that the Council must calculate in the year the aggregate of—

“a) the expenditure which the authority estimates it will incur ... in performing its functions and will charge to a revenue account...,

b) such allowance as the authority estimates will be appropriate for contingencies in relation to amounts to be charged or credited to a revenue account ..,

c) the financial reserves which the authority estimates it will be appropriate to raise ..for meeting its estimated future expenditure,

d) such financial reserves as are sufficient to meet so much of the amount estimated by the authority to be a revenue account deficit for any earlier financial year as has not already been provided for,

da) any amounts which it estimates will be transferred ...from its general fund to its collection fund in accordance with regulations under section 97(2B) of the 1988 Act,

e) any amounts which it estimates will be transferred ...from its general fund to its collection fund in accordance with section 97(4) of the 1988 Act, and

f) any amounts which it estimates will be transferred from its general fund to its collection fund pursuant to a direction under section

98(5) of the 1988 Act and charged to a revenue account ...” (Section 31A(2))

14.4 In addition, the Council must calculate in the year the aggregate of—

“a) the income which it estimates will accrue to it... and which it will credit to a revenue account.....,

aa) any amounts which it estimates will be transferred .. from its collection fund to its general fund in accordance with regulations under section 97(2A) of the 1988 Act,

b) any amounts which it estimates will be transferred.... from its collection fund to its general fund in accordance with section 97(3) of the 1988 Act,

c) any amounts which it estimates will be transferred from its collection fund to its general fund pursuant to a direction under section 98(4) of the 1988 Act and will be credited to a revenue account....., and

d) the amount of the financial reserves which the authority estimates it will use in order to provide for the items mentioned in subsection (2)(a), (b), (e) and (f) above.” (Section 31A(3))

14.5 Section 31A(4) provides that if the aggregate calculated under subsection (2) above exceeds that calculated under Section 31A(3) above, the authority must calculate the amount equal to the difference; and the amount so calculated is to be its council tax requirement for the year. This is in effect the duty to set a balanced budget.

14.6 When estimating under Section 31A(2)(a) referenced above, the authority must take into account—

a) the amount of any expenditure which it estimates it will incur in the year in making any repayments of grants or other sums paid to it by the Secretary of State, and

b) the amount of any precept issued to it for the year by a local precepting authority and the amount of any levy or special levy issued to it for the year. (section 31A(6))

However, except as provided by regulations under section 41 below or regulations under section 74 or 75 of the 1988 Act, the authority must not anticipate a precept, levy or special levy not issued. (Section 31A(7)) The relevant council tax setting calculations for Croydon are set out in Appendix H.

14.7 Section 30(7) provides that no amount may be set before the earlier of the following-

- a) 1st March in the financial year preceding that for which the amount is set;
- b) the date of the issue to the authority of the last precept capable of being issued to it (otherwise than by way of substitute) by a major precepting authority for the financial year for which the amount is set.

14.8 Furthermore, no amount may be set unless the Council has made in relation to the year the calculations required by the Act (Section 30(8)). Any purported setting of an amount, if done in contravention of subsection (7) or (8) above, shall be treated as not having occurred (Section 30(9)). Therefore, the statutory budget calculation set out in the 1992 Act must be adhered to. If not, the Council Tax resolution may be invalid and void.

14.9 Any amount to be set as Council Tax must be set before 11th March in the financial year preceding that for which it is set (i.e., before 11th March 2023), but is not invalid merely because it is set on or after that date (Section 30(6) and Section 31A (11)). The rider in Sections 30(6) and 31A(11) (“but they are not invalid merely because they are made on or after that date”) should not be seen as permission to make the calculations later, but merely as a means of limiting the scope of legal challenges to the budget if an authority breaches the duty to set the Council Tax before 11th March 2023. A delay to agreeing the budget may also have significant financial, administrative, and legal implications.

14.10 Section 66 of the 1992 Act provides that the setting of the budget (and this includes the failure to set or delay in setting the budget) can be challenged by an application for judicial review, with either the Secretary of State or any other person with sufficient interest (which could include a council taxpayer) able to apply.

14.11 Section 52ZB (‘Duty to determine whether council tax excessive’) requires the Council to determine whether its relevant basic amount of council tax for a financial year is excessive. If it is excessive, then there is a duty under s.52ZF - s.52ZI to hold a referendum. Section 52ZC (‘Determination of whether increase is excessive’) provides that determining whether the Council Tax is excessive must be decided in accordance with a set of principles determined by the Secretary of State and approved by a resolution of the House of Commons. The Referendums Relating to Council Tax Increases (Principles)(England) Report 2023-24 sets out the principles for the financial year beginning on 1st April 2023, and for Croydon it provides that *“For 2023-24, the relevant basic amount of council tax of Croydon London Borough Council is excessive if the authority’s relevant basic amount of council tax for 2023-24 is 15% (comprising 2% for expenditure on adult social care, and 13% for other expenditure), or more than 15%, greater than its relevant basic amount of council tax for 2022-23.”*

- 14.12 Section 65 ('Duty to consult ratepayers') provides for the Council to consult with representatives of non-domestic ratepayers about the proposed revenue and capital expenditure before the budget requirement is calculated. An update on the consultation response for Croydon is provided in Appendix I.
- 14.13 Section 67 ('Functions to be discharged only by authority') provides that the functions described above to set the Council Tax budget shall be discharged only by Full Council.
- 14.14** Section 25 of the Local Government Act 2003 ("LGA 2003") ('Budget calculations: report on robustness of estimates etc) provides that the Council's Chief Finance Officer must report to it on the following matters-(a) the robustness of the estimates made for the purposes of the calculations, and (b) the adequacy of the proposed financial reserves. The Council shall have regard to the report when making decisions about the budget calculations. The views of the Director of Finance are set out in section 11 of this report.
- 14.15 Section 26 LGA 2003 ('Minimum reserves') requires that when setting the budget requirement, the reserves include a minimum level for controlled reserves - this minimum level is determined by the Chief Finance Officer.
- 14.16 Section 27 LGA 2003 ('Budget calculations: report on adequacy of controlled reserve') requires that the Chief Finance Officer to report on the inadequacy of controlled reserves - i.e., when it appears that the level of a controlled reserve is inadequate or likely to become inadequate and action required to prevent such a situation arising in the financial year under consideration. The views of the Director of Finance on risk, revenue balances and earmarked reserves are set out in section 11 of this report.
- 14.17 Members will be aware of the requirement to consider the Council's obligations under the Equality Act 2010 as detailed more fully in the Equalities Considerations, at Section 15 below.

Members' Common Law Duties

- 14.18 When considering the budget proposals, the Council (and its Members), as well as having a duty to ensure that the Council acts in accordance with its statutory duties, must act reasonably and must not act in breach of its fiduciary duty to its ratepayers and Council Tax payers.
- 14.19 In reaching decisions on these matters, Members are bound by the general principles of administrative law. Local authority decisions need to be rational, prudent, and made in accordance with recognised procedures. A local authority's discretion 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 be one which only a

reasonable authority, properly directing itself, could have reached. The resources available to the Council must be deployed to their best advantage.

- 14.20 There is an overriding legal duty on Members to act prudently, responsibly, in a business-like manner and in the best interests of the general body of local taxpayers. In deciding upon expenditure, the Council must fairly hold a balance between recipients of the benefits of services provided by the Council and its local taxpayers. Members should note that their fiduciary duty includes consideration of future local taxpayers as well as present local taxpayers. Fiduciary duty is also likely to include acting in good faith with a view to complying with statutory duties and financial prudence in the short and long term.
- 14.21 The obligation to set a lawful balanced budget each year is shared equally by each individual Member. The budget must not include expenditure on items which would fall outside the Council's powers. Expenditure on lawful items must be prudent, and any forecasts or assumptions such as rates of interest or inflation must themselves be rational. Power to spend money must be exercised bona fide for the purpose for which they were conferred, and any ulterior motives risk a finding of illegality.
- 14.22 In determining the Council's overall budget requirement, Members are bound to have regard to the level of Council Tax necessary to sustain it. Essentially the interests of the Council Taxpayer must be balanced against those of the various service recipients.
- 14.23 In approving the respective budget envelope, Full Council is not making decisions as to the implementation, form, or detail of service delivery. These are by law matters for the Executive. In making subsequent decision on service provision changes to achieve savings or budget reduction, the Executive must comply with statutory requirements including consultation obligation and equalities duties.

Constitution (Budget and Policy Framework Procedure Rules)

- 14.24 Under Regulations 4 (Paragraphs 9 to 11) of The Local Authority (Functions and Responsibilities) (England) Regulations 2000 the Executive is responsible for preparing and submitting to Full Council estimates of the amounts to be aggregated for the purposes of Council Tax calculations, and to undertake any reconsideration of those estimates that Full Council require. As a consequence of Section 67 Local Government Finance Act 1992, the function of making or approving the required calculations – and, in that sense, approving the budget – remains one for the Full Council itself. That function is non-delegable.

- 14.25 The Budget and Policy Framework Procedure Rules in Part 4.C of the Constitution sets out the process to be followed in developing the budget proposals. The Procedure provides for the following: a) the responsibility of the Executive for the preparation of budget proposals; b) consideration of the responses from Scrutiny and Overview Committee by the Executive in drawing up budget proposals for submission to Full Council; c) the option available to political groups to prepare an alternative or amended budget proposals and the notice and Chief Finance Officer certification requirements on any motions to amend the Executive proposals; and d) the dispute resolution process in the event that Full Council objects to the Executive budget proposals.
- 14.26 The Procedure defines the budget as: The identification and allocation of financial resources for the following financial year(s) by the Full Council including:
- Revenue Budgets;
 - Capital Budgets;
 - The Council Tax base;
 - The Council Tax level;
 - Borrowing requirements;
 - Prudential indicators;
 - The Medium-Term Financial Strategy; and
 - The level of Uncommitted Reserves.

Arrears of Council Tax and Voting

- 14.27 In accordance with section 106 of the 1992 Act ('Council tax and community charges: restrictions on voting'), where a payment of Council Tax that a member is liable to make has been outstanding for two months or more at the time of a meeting, the Member must disclose the fact of their arrears (though they are not required to declare the amount) and cannot vote on any of the following matters if they are the subject of consideration at a meeting: (a) Any decision relating to the administration or enforcement of Council Tax. (b) Any budget calculation required by the Local Government Finance Act 1992 underlying the setting of the Council Tax. (c) Any recommendation, resolution or other decision which might affect the making of the Annual Budget calculation. The requirement applies to all committee meeting including the meeting of Full Council and the Executive. A breach is a criminal offence.

Approved by: Director of Legal Services and Monitoring Officer.

15 EQUALITIES IMPACT

- 15.1 Under the Public Sector Equality Duty of Equality Act 2010, decision makers must evidence consideration of any potential impacts of proposals on groups who share the protected characteristics, before decisions are taken. This includes any decisions relating to how authorities act as employers; how they develop, evaluate and review policies; how they design, deliver and evaluate

services, and also how they commission and procure services from others.

- 15.2 Section 149 of the Act requires public bodies to have due regard to the need to:
- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
 - advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
 - foster good relations between people who share a protected characteristic and people who do not share it.
- 15.3 Protected characteristics defined by law are race and ethnicity, disability, sex, gender reassignment, age, sexual orientation, pregnancy and maternity, and religion or belief and marriage and Civil Partnership.
- 15.4 Having due regard means there is a requirement to consciously address the three tenets of the Equality Duty within decision-making processes. By law, assessments must contain sufficient information to enable the local authority to show it has paid 'due regard' to the equalities duties; and identified methods for mitigating or avoiding adverse impact on people sharing protected characteristics. Where a decision is likely to result in detrimental impact on any group with a protected characteristic it must be justified objectively. Report authors have been guided towards ensuring that there is sufficient mitigation when a service has been changed to ensure that there is no detrimental impact on service users as a result of the change.
- 15.5 The budget proposals have been assessed in line with the Council's equality impact analysis processes (EIA), as part of a risk-based approach to analyse potential equalities impact of budget proposals. Budget holders have identified where proposals are likely to have an impact on those with protected characteristics (i.e. race, sex, disability, religion or belief, sexual orientation, pregnancy and maternity, age, gender identity and marriage and civil partnership). Where necessary, the potential for mitigating measures are explored. The EIA process continues alongside the development of policy and operational changes and during their implementation.
- 15.6 The recent pressures caused by higher inflation has been identified in a number of the equality assessments. Nationally it is recognised that households have struggled with rising bills and more are reliant on support. Fuel inflation has had a particularly challenging impact over the last 12 months.
- 15.7 As at July 2022, there were 7,028 low income families in Croydon where their monthly income is below their estimated costs. This figure represents households that claim benefits through Croydon Council. If costs were increased by £19.62 a month (this is the 14.99% increase on a Croydon Band D house) then there would be 7,290 households with a monthly income below their estimated costs.
- 15.8 As a result, particular consideration has been given in the equality analysis to proposals which include increases in fees/charges, and the proposed increase in Council Tax. The evidence from both internal and external sources was gathered to consider the impact, as well as considering the responses from the budget engagement activity.

- 15.9 Intelligence from our Council Tax Support Scheme EQIA gives us the following data which highlights the equality characteristics most affected by the increase:
- 31% of council tax claimants are disabled and will be more affected
 - 28% of council tax claimants are disabled and not in work so would be more affected.
 - 85% of claimants are single
 - 16,260 of the claims made by single people are females, and 6,263 are from males
 - 38 active claims where the claimant or partner are in receipt of maternity pay.
- 15.10 The impact of any council tax changes will of course be mitigated either entirely or in part should a resident be eligible for an exemption from council tax or for a reduction in their council tax eg from the Council's Council Tax Support Scheme. In addition, the Council has prepared mitigation to support residents affected by the proposed increase in council tax by providing a Hardship Fund for residents who experience financial difficulties due to the council tax increase. The fund will be set at £2 million and will be available on an annual basis.
- 15.11 Eligibility for this fund will be determined against criteria set by the council. It will be administered in a manner that will leave flexibility for residents impacted by the council tax increase who are in extenuating circumstances including: job losses, increases debts from utilities along with debts in other areas such as housing costs. The eligibility for this fund will be significantly different from the existing council tax support scheme and will not use the same income based criteria. This should provide support for residents affected by in work poverty.
- 15.12 Existing mitigation for residents as will also remain in place (such as discounted rates for residents with disabilities, carers, as well as existing hardship schemes, such as in Housing).
- 15.13 The Council will continue to commission external independent information, advice & guidance service for residents, with a particular focus on debt management, increasing income and avoiding homelessness. Residents can also contact Croydon Council Money Advice Service for advice on paying your bills and debt worries. All advice is independent and confidential.
- 15.14 In delivering against the Mayor's Business Plan, the Council will also seek to identify opportunities to improve services and work with partners and communities to minimise any adverse impacts of decisions, particularly in regard to groups that share protected characteristics. In doing so the Council will focus on another core priority to focus on providing the best quality core service we can afford, in particular social care for the most vulnerable people and providing opportunities children and young people, along with opportunities to learn.
- 15.15 In respect of specific proposals, it is likely that some proposals may result in new policies or policy or service changes. In this instance each proposal will be accompanied by a further equality analysis which will inform the final

proposal and its implementation, on a case by case basis. In addition, any decisions which need to be taken in furtherance of the budget proposals will be undertaken in accordance with the duty set out in Section 149 of the Equality Act 2010 and where appropriate further Equality Assessments will be undertaken and form part of the decision-making process.

Approved by Gavin Handford – Director of Policy, Programmes and Performance

16 ENVIRONMENTAL IMPACT

16.1 None direct from the budget report specifically, but will be considered as part of the implementation of any of the proposals contained in this report.

17 CRIME AND DISORDER REDUCTION IMPACT

17.1 As set out in the body of the report and appendices.

18 DATA PROTECTION

18.1 None direct from the budget report specifically, but will be considered as part of implementation of any of the proposals contained in this report

19 HUMAN RESOURCES IMPACT

19.1 The implementation of the savings proposals will, in a number of instances, have a staffing impact. The Council has a legal and policy obligation to seek to avoid compulsory redundancy, where possible. Where organisational change is proposed which impacts on structure, such as through restructures or transfers, this will be managed in accordance with the Council's policies and procedures, including consultation with those staff potentially impacted upon and their trade union representatives, and application of the Council's redeployment scheme, where appropriate.

Approved by: Dean Shoesmith, Chief People Officer.

20. OVERVIEW AND SCRUTINY COMMITTEE

20.1 The budget proposals are due to be considered by Overview and Scrutiny Committee on the 16th of February. An update on any recommendations made by the Committee will be provided to Cabinet and the Cabinet response noted.

LIST OF APPENDICES

- A Summary of the 2023 Medium-Term Financial Strategy forecast
- B General Fund Departmental and Subjective Budget summary (to follow)
- C General Fund growth and savings proposals
- D Draft Transformation programme and funding
- E Government Grant
- F Business Rates Forecast
- G 2023/24 Croydon Tax Base (to follow)
- H Recommendations for Council Tax Requirement 2023/24 and Council Tax charge by Band. (to follow)
- I Budget Proposals for 2023/24 – Feedback from Survey
- J Financial Risks

BACKGROUND DOCUMENTS

Mayor's Business Plan Council 14th December 2022
Cabinet report 30th November 2022

London Borough of Croydon - Medium Term Financial Plan

	2023/24	2024/25	2025/26
	£'m	£'m	£'m
Base Budget (Departmental)	317.055	317.055	317.055
Base Budget (Corporate Items)	-0.946	-0.946	-0.946
Demand Pressures	11.283	19.161	24.985
Legacy Budget Corrections	49.037	49.537	50.037
Planned Savings	-33.098	-40.400	-41.114
Future Savings target	0.000	-20.000	-40.000
Provision for inflation	32.946	49.946	61.946
net cost of borrowing (interest, MRP & investment income)	57.919	64.432	63.461
Risk/contingency provision	5.000	10.000	15.000
Set aside of new adult social care grants	3.734	6.319	6.319
Economic Demand Pressures	5.500	5.500	5.500
Council Tax - Hardship Support	2.000	2.000	2.000
Transformation Investment	10.000	5.000	5.000
Gross Budget Requirement	460.430	467.604	469.243
Use of earmarked reserve (Council tax income guarantee)	-1.715	0.000	0.000
Core grant funding	-38.651	-42.648	-42.648
Additional Adult Social Care Grants	-3.734	-6.319	-6.319
Use of the capitalisation directive	-63.000	-38.000	-38.000
Business Rates - compensation grant for underindexing the business rates multiplier	-12.419	-12.419	-12.419
Net Budget Requirement (as per the budget book)	340.911	368.218	369.857
Financing			
<i>Government Grants:</i>			
Revenue Support Grant	-16.711	-17.628	-17.628
<i>Croydon Resources</i>			
Business rates top-up grant	-35.921	-37.864	-40.005
Business rates income	-42.506	-45.388	-45.388
Council tax (4.99% increase modelled in 2024/25 and a freeze in 2025/26)	-247.759	-263.061	-266.034
Prior year collection fund deficit	1.986	0.000	0.000
Total Financing	-340.911	-363.941	-369.055
Budget deficit/(surplus)	0.000	4.277	0.802

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Summary of Departmental Budget Proposals

Savings and Change Proposals

Figures are incremental

	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s
Children, Young People & Education	-6,920	-2,022	-142
Adult Social Care & Health	-12,243	0	0
Housing	-2,305	-1,989	-589
Sustainable Communities Regeneration & Economic Recovery	-1,859	-145	17
Assistant Chief Executive	-2,924	0	0
Resources	-6,347	-1,646	0
Corporate / Council wide	-500	-1,500	0
Total	-33,098	-7,302	-714

Demand Pressures

Figures are incremental

	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s
Children, Young People & Education	0	0	0
Adult Social Care & Health	7,621	740	0
Housing	0	0	0
Sustainable Communities Regeneration & Economic Recovery	1,180	1,000	2,500
Assistant Chief Executive	1,230	4,932	3,324
Resources	1,195	1,150	0
Corporate / Council wide	57	56	0
Total	11,283	7,878	5,824

Legacy Budget Corrections

Figures are incremental

	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s
Children, Young People & Education	5,188	0	0
Adult Social Care & Health	1,648	0	0
Housing	5,286	0	0
Sustainable Communities Regeneration & Economic Recovery	14,759	0	0
Assistant Chief Executive	2,001	0	0
Resources	11,271	500	500
Corporate / Council wide	8,884	0	0
Total	49,037	500	500

Net Budget Movement

Figures are incremental

Savings, demand pressures & legacy budget corrections	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s
Children, Young People & Education	-1,732	-2,022	-142
Adult Social Care & Health	-2,974	740	0
Housing	2,981	-1,989	-589
Sustainable Communities Regeneration & Economic Recovery	14,080	855	2,517
Assistant Chief Executive	307	4,932	3,324
Resources	6,119	4	500
Corporate / Council wide	8,441	-1,444	0
Total budget change	27,222	1,076	5,610

Children, Young People & Education

Savings and Change proposals

Figures are incremental

Reference	Service	Description	2023/24 £000	2024/25 £000	2025/26 £000
Incremental/New savings identified in the 2022/23 Medium Term Financial Plan					
1	Children's Social Care Division	Improve practice system efficiency	-385		
2	Social Work with Children Looked After and Care Leavers	Reduce spend on Children Looked After placements	-1,715	-330	
3	Social Work with Children Looked After and Care Leavers	Review support for young people whose appeal rights are exhausted	-142		
4	Commissioning and Services to Schools	Increase the Education Traded Offer	-65		
5	Children's Social Care Division	Service efficiencies through hybrid and flexible working	-972		
6	Early Years Team	Refocusing public health funding - parenting programmes	-465		
7	Early Years Team	Develop family support centres and introduce external funding		-1,300	
Incremental/New savings identified in the 2023/24 Medium Term Financial Plan					
8	Social Work with Children Looked After and Care Leavers	Growth reduction	-1,200		
9	Social Work with Children Looked After and Care Leavers	Reduce demand for legal services	-570		
10	Access, Support and Intervention	Restructure of the Youth Engagement Team	-202		
11	Quality, Commissioning and Performance Improvement Division	Staff vacancy factor of 5% across Quality, Commissioning and Performance Improvement	-253		
12	Quality, Commissioning and Performance Improvement Division	Non-staffing spend across Quality, Commissioning and Performance Improvement	-36		
13	CYPE Integrated Commissioning and Procurement	Increase Health contribution to the Integrated Commissioning Team	-57		
14	Education Division	Service redesign across education to fully utilise grant funding	-44		
15	Systemic Clinical Services and Workforce Development	Income generation in Systemic and Clinical Practice	-45		
16	Social Work with Families and 0-17 Children with Disabilities	Reduce spend on Children with Disabilities care packages	-324		
17	Quality Assurance and Safeguarding	Local authority contribution to the safeguarding partnership	-20		
Transformation Projects					
18	Access, Support and Intervention	Sustaining demand management at the front door	-200		
19	Directorate wide	Review all joint funding arrangements across education, health and care		-250	
20	Social Work with Children Looked After and Care Leavers	Fostering transformation	-225		
21	Social Work with Families and 0-17 Children with Disabilities	Calleydown – increasing capacity and reducing respite costs		-142	-142
Total of Planned Savings			-6,920	-2,022	-142

Legacy Budget Corrections

Figures are incremental

Reference	Service	Description	2023/24 £000	2024/25 £000	2025/26 £000
22	Performance and Business Improvement	Adjustment re prior year capitalisation of children and families systems team costs	216		
23	Early Years Team	Refocusing public health funding - parenting programmes savings correction	309		
24	Children's Social Care Division	Capitalisation income budget correction	784		
25	Social Work with Children Looked After and Care Leavers	Rebasing the income budget for Unaccompanied Asylum Seekers Children	3,879		
Total of legacy budget corrections			5,188	0	0

Net Budget Movement

Figures are incremental

Children, Young People & Education		2023/24 £000	2024/25 £000	2025/26 £000
	Proposed savings	-6,920	-2,022	-142
	Legacy budget corrections	5,188	0	0
Net Budget Movement		-1,732	-2,022	-142

Adult Social Care & Health

Savings and Change proposals

Figures are incremental

Reference	Service	Description	2023/24 £000	2024/25 £000	2025/26 £000
Incremental/New savings identified in the 2022/23 Medium Term Financial Plan					
1	Disabilities	Disabilities operational budget	-5,277		
2	Mental Health	Mental health operational budget	-834		
3	OBC Commissioning	Contracts review	-275		
4	Localities and LIFE	Older People operational budget	-3,019		
5	Transitions	Transitions operational budget	-260		
6	All	Contracts review	-75		
7	Integrated Contracts & Performance	Review of staffing portfolio across C&P Services (Procurement, Hwa, Place, Cfe And P&B)	-100		
Incremental/New savings identified in the 2023/24 Medium Term Financial Plan					
9	Provider Services	Active Lives staffing efficiency	-60		
10	All ASC Operations	Fees and Charges increase in line with DWP	-150		
11	Provider Services	Closure of the Cherry Orchard Garden Centre	-180		
12	Provider Services	Close Whitehorse Day Centre (facilities management cost only)	-38		
13	Integrated Contracts & Performance	PPE growth hand-back and swap with COMF money.	-325		
14	All ASC Operations	The managing demand programme will deliver a revised operating model for Adult Social Care & Health.	-150		
15	All	Staff vacancy factor of 5%	-1,000		
16	All ASC Operations	Absorption of inflation within existing budgets	-500		
Total of proposed savings			-12,243	-	-

Demand Pressures

Figures are incremental

Reference	Division	Description	2023/24 £000	2024/25 £000	2025/26 £000
17	All ASC Operations	Care packages/placements - inflation above corporate allowance	1,479		
18	All ASC Operations	Demographic & cost pressures re care packages/placements	5,065		
19	OBC Commissioning	Cost inflation on Care UK contract	275		
20	OBC Commissioning	Demographic & inflation pressures to the pooled equipment budget.	61		
21	ASC Improvement	Transformation funding ends for project management costs		740	
Incremental/New growth identified in the 2023/24 Medium Term Financial Plan					
22	Transitions	Transitions Service cost of care growth	278		
23	Transitions	Transitions Service Demographic growth	463		
Total Demand Pressures			7,621	740	-

Legacy Budget Corrections

Figures are incremental

Reference	Division	Description	2023/24 £000	2024/25 £000	2025/26 £000
24	Cross departmental	Refocusing of public health funding - budget correction	1,380		
25	Commissioning/business support	Realignment of budgets between the Housing Revenue Account and General Fund	268		
Total Legacy budget corrections			1,648	-	-

Net Budget Movement

Figures are incremental

	Adult Social Care & Health	2023/24 £000	2024/25 £000	2025/26 £000
	Proposed savings	-12,243	0	0
	Demand pressures	7,621	740	0
	Legacy budget corrections	1,648	0	0
	Net Budget Movement	-2,974	740	0

Housing

Savings and Change proposals

Figures are incremental

Reference	Service	Description	2023/24 £000	2024/25 £000	2025/26 £000
Incremental/New savings identified in the 2023/24 Medium Term Financial Plan					
1	Emergency and Temporary Accommodation	Housing Needs restructure including Dynamic Purchasing System implementation	-625	-625	
2	Emergency and Temporary Accommodation	Temporary Accommodation occupancy checks	-400	-300	
3	Emergency and Temporary Accommodation	Temporary Accommodation case review (discretionary cases)	-600	-450	
4	Emergency and Temporary Accommodation	Data cleanse & rent accounts (income collection)	-300	-200	
5	Emergency and Temporary Accommodation	Repurpose general needs voids for emergency accommodation		-175	-175
6	Department wide	Vacancy factor	-302		
7	Emergency and Temporary Accommodation	Demand Management		-239	-414
Transformation Projects					
8	Homelessness & Assessments	Housing association liaison, recharges and nominations	-78		
Total proposed savings			-2,305	-1,989	-589

Legacy Budget Corrections

Figures are incremental

Reference	Division	Description	2023/24 £000	2024/25 £000	2025/26 £000
Incremental/New growth identified in the 2023/24 Medium Term Financial Plan					
9	Department wide	Housing legacy structural budget deficit, first identified in the Medium Term Financial Strategy report in November and subsequently managed down from £5.2m	3,286		
10	Department wide	HRA recharges staffing corrections	1,500		
11	Temporary Accommodation	Inclusion of the leased properties for Concord Sycamore & Windsor within the General Fund (part of the HRA/GF realignment)	500		
Total legacy budget corrections			5,286	0	0

Net Budget Movement

Figures are incremental

	Housing	2023/24 £000	2024/25 £000	2025/26 £000
	Proposed savings	-2,305	-1,989	-589
	Legacy budget corrections	5,286	0	0
	Net Budget Movement	2,981	-1,989	-589

Sustainable Communities Regeneration & Economic Recovery

Savings and Change Proposals

Figures are incremental

Reference	Service	Description	2023/24 £000	2024/25 £000	2025/26 £000
<i>Incremental/New savings identified in the 2022/23 Medium Term Financial Plan</i>					
1	Highways and Parking	Parking charges increase	-200		
2	Independent Travel	Review and reduction of the Neighbourhood Operations Team (NSO)	-150		
3	Independent Travel	Adult travel assistance - joint review	-50		
4	Independent Travel	Bus re-tender contract savings	-80		
5	Skills & Economic Development	Economic development team streamlined service	-46		
6	Community safety	Anti Social behaviour charging	-6		
7	Community safety	CCTV merger	-4		
8	Community safety	CCTV footage charge for insurance claims	-2		
9	Community safety	Review CCTV control room and functions following council telephony upgrade	-152		
<i>Incremental/New savings identified in the 2023/24 Medium Term Financial Plan</i>					
10	Arts, Entertainment & Culture	Reduced museum activity	-71		
11	Independent Travel	Muster points	-8		
12	Independent Travel	Coach income (from bus hires)	-20		
13	Leisure	Redesign leisure sports development service	-45	-45	
14	Directorate	Fund the General Fund element of the Croydon Museum through the Growth Zone fund for a period of 2 years whilst transforming the service delivery model	-200		
15	Planning and sustainable regeneration	The charging of a percentage of salaries in Planning and Regeneration to income sources other than General Fund eg Growth Zone, Community Infrastructure Levy and external grants	-115		17
16	Planning and sustainable regeneration	Further use of Community Infrastructure Levy instead of General Fund funding where appropriate	-250		
17	Highways and Parking	Removal of a school crossing patrol budget that is no longer required	-60		
18	Departmental wide	One-off investment of public health grant in libraries (£0.200m) and physical activities (£0.200m)	-400	400	
<i>Transformation Projects</i>					
19	Building Control	Building control		-300	
20	Highways and Parking	Parking Policy		-200	
Total of proposed savings			-1,859	-145	17

Demand Pressures

Figures are incremental

Reference	Division	Description	2023/24 £000	2024/25 £000	2025/26 £000
Incremental/New growth identified in the 2023/24 Medium Term Financial Plan					
21	Independent Travel	Increase in Special Education Need pupil numbers requiring transport	680		
22	Waste & Recycling	Refuse contract	500		2,500
23	Highways and Parking	Highways maintenance growth - previous planned growth delayed by 1 year to 2024/25.		1,000	
Total of demand pressures			1,180	1,000	2,500

Legacy Budget Corrections

Figures are incremental

Reference	Division	Description	2023/24 £000	2024/25 £000	2025/26 £000
Incremental/New growth identified in the 2022/23 Medium Term Financial Plan					
24	Arts, Entertainment & Culture	Fairfield Halls management fee	-119		
Incremental/New growth identified in the 2023/24 Medium Term Financial Plan					
25	Building Control	Building control stabilisation	900		
26	Development Management	Correction to legacy income budget in Development Management that is unachievable	1,000		
27	Environmental Health	Loss of Public Health Grant contribution to Food Safety Team budget	293		
28	Environmental Health	Reversal of unachievable income budget in relation to the previously proposed Selective Licensing Scheme, if this scheme goes ahead in the future the income will be required to fund the operation of the scheme	1,586		
29	Community safety	Correction of legacy shortfall in budget	215		
30	Public Realm	Correction of legacy shortfall in budget	299		
31	Highways and Parking	Parking and traffic - unachievable savings from prior years.	10,585		
Total legacy budget corrections			14,759	0	0

Net Budget Movement

Figures are incremental

		2023/24 £000	2024/25 £000	2025/26 £000
	Sustainable Communities Regeneration & Economic Recovery			
	Proposed savings	-1,859	-145	17
	Demand pressures	1,180	1,000	2,500
	Legacy budget corrections	14,759	0	0
	Net Budget Movement	14,080	855	2,517

Draft Officer Papers for Discussion - Strictly Private and Confidential

Assistant Chief Executive

Savings and Change proposals

All figures are incremental

Reference	Service	Description	2023/24 £000	2024/25 £000	2025/26 £000
Incremental/New savings identified in the 2022/23 Medium Term Financial Plan					
1	Croydon Digital Service	Extensions of procurements for CORE IT contracts	-250		
2	Human Resources	Reduction in previously agreed growth	-51		
3	Croydon Digital Service	Workforce restructure	-1,000		
4	Croydon Digital Service	Deletion of legacy oracle financials	-60		
5	Human Resources	Human Resources management team reorganisation	-210		
6	Policy, Programme and Performance	Contract Review	-800		
Incremental/New savings identified in the 2023/24 Medium Term Financial Plan					
7	Assistant Chief Exec	Delete Director of Service Quality, Improvement & Inclusion Post	-122		
8	Croydon Digital Service	New graves site at Mitcham Road and Queens Road	-91		
9	Croydon Digital Service	Visual Tribute system at Croydon Crematorium	-31		
10	Mayor's Office	Reduced support	-40		
11	Human Resources	Corporate Learning and Development budget	-100		
12	Human Resources - but Council wide	Reduce non-contractual overtime and non-essential overtime.	-97		
13	Bereavement and Registrars	Additional income from fees and charges	-72		
Total of proposed savings			-2,924	0	0

Demand Pressures

Reference	Division	Description	2023/24 £000	2024/25 £000	2025/26 £000
Incremental/New growth identified in the 2023/24 Medium Term Financial Plan					
14	Croydon Digital Service	Increase in the Croydon contribution to the TfL freedom pass scheme	1,230	4,932	3,324
Total demand pressures			1,230	4,932	3,324

Legacy Budget Corrections

Reference	Division	Description	2023/24 £000	2024/25 £000	2025/26 £000
Incremental/New growth identified in the 2023/24 Medium Term Financial Plan					
15	Policy, Programme and Performance	Reinstatement of an elections canvass budget	65		
16	Croydon Digital Service	Decapitalise employee costs	1,130		
17	Coroners	Rebase the Croydon contribution in line with actual costs	558		
18	Department wide	Budget correction regarding the charge made to Public Health for the provision of support services	248		
Total legacy budget corrections			2,001	0	0

Net Budget Movement

		2023/24 £000	2024/25 £000	2025/26 £000
Assistant Chief Executives				
	Proposed Savings	-2,924	0	0
	Budget Pressures	1,230	4,932	3,324
	Legacy budget corrections	2,001	0	0
Net Budget Movement		307	4,932	3,324

Resources - Budget Proposals

Savings and Change proposals

Figures are incremental

Reference	Service	Description	2023/24 £000	2024/25 £000	2025/26 £000
<i>Incremental/New savings identified in the 2022/23 Medium Term Financial Plan</i>					
1	Finance	ICT operational savings	-47		
2	Commercial Investment	Savings on building closures/disposals	-12		
3	Commercial Investment	Review and release of additional space in Bernard Weatherill House or disposal with part sale and leaseback option	-315		
4	Finance	Restructure technical support & development teams	-30	-30	
5	Finance	Finance staffing review	-125	-125	
<i>Incremental/New savings identified in the 2023/24 Medium Term Financial Plan</i>					
6	Finance	Premier supplier commission	-200	-100	
7	Finance	Improvement costs met from reserves	-250		
8	Commercial Investment	Saving from duplicated interest budget	-2,445		
9	Commercial Investment	Base budget adjustment regarding fees & charges, landlord income, and HRA mast income (partially offsets the saving in the duplicated interest budget)	809		
10	Finance	Recovery of housing benefit overpayments	-663		
11	Commercial Investment	PMI Contract Manager - Invest to Save proposal	79	-79	
12	Finance	Reduction in running costs in Finance including Revenues, Benefits, Business Rates and the Debt Team	-100		
13	Finance	Additional Court Cost income	-500		
14	Insurance, Risk & Anti Fraud	Additional HRA recharge for insurance	-500		
15	Commercial Investment	Additional commercial rental income	-150		
16	Pensions	Reduction in banking contract budget	-22		
17	Pensions	Contribution from pensioners budget being underspent	-40		
18	Finance	Vacancy factor to be deducted from the General Fund salary budget	-308		
19	Finance	Forecast increase in street naming income	-45		
<i>Transformation Projects</i>					
20	Finance	Housing benefit review	-1,483	-1,312	
Total of proposed savings			-6,347	-1,646	0

Demand Pressures

Figures are incremental

Reference	Division	Description	2023/24 £000	2024/25 £000	2025/26 £000
21	Commercial Investment	Increase in business rates payable by Croydon in line with the 2022 Rates Revaluation	1,000	750	
22	Finance	Forecast shortfall in land charges income	195		
23	Insurance, Risk & Anti Fraud	Insurance Fund growth		400	
Total of Demand Pressures			1,195	1,150	0

Legacy Budget Corrections

Figures are incremental

Reference	Division	Description	2023/24 £000	2024/25 £000	2025/26 £000
24	Finance	Housing Benefit Subsidy - Loss on HB Payments with Care Package Element	9,000	500	500
25	Procurement / Commissioning	Decapitalisation of employee costs	150		
26	Investment & Assets	Rebasing of prior year income budgets	90		
27	Legal	Budget correction regarding legal recharges	1,600		
30	Commercial Investment	Reversal of legacy unachievable income	431		
Total legacy budget corrections			11,271	500	500

Net Budget Movement

	Resources	2023/24 £000	2024/25 £000	2025/26 £000
	Proposed Savings	-6,347	0	0
	Demand Pressures	1,195	1,150	0
	Legacy Budget Corrections	11,271	500	500
	Net Budget Movement	6,119	1,650	500

Corporate / Council wide - Budget Proposals

Savings and Change proposals

Figures are incremental

Reference	Division	Description	2023/24 £000	2024/25 £000	2025/26 £000
Incremental/New savings identified in the 2023/24 Medium Term Financial Plan					
1	Council wide	Customer access (council wide)		-1,500	
2	Council wide	Consider new structures through layers and spans review	-250		
Transformation Projects					
3	Council wide	Business Intelligence	-250		
Total of proposed savings			-500	-1,500	-

Demand Pressures

Figures are incremental

Reference	Division	Description	2023/24 £000	2024/25 £000	2025/26 £000
Incremental/New growth identified in the 2022/23 Medium Term Financial Plan					
4	Corporate Items	Increase in external levies	42	43	
5	Corporate Items	Apprenticeship levy	15	13	
Total demand pressures			57	56	-

Legacy Budget Corrections

Figures are incremental

Reference	Division	Description	2023/24 £000	2024/25 £000	2025/26 £000
6	Council wide	Realignment of Housing Revenue Account and General Fund Budgets. Total budget £9.544m of which £2.268m is so far shown within departmental growth. £8.237m of the growth represents a saving to the Housing Revenue Account	7,276		
7	Council wide	Realignment of employee overhead budgets (national insurance and superannuation/pension contributions)	1,608		
Total legacy budget corrections			8,884	-	-

Net Budget Movement

Figures are incremental

	Corporate / Council Wide	2023/24 £000	2024/25 £000	2025/26 £000
	Proposed Savings	-500	-1,500	0
	Demand Pressures	57	56	0
	Legacy Budget Corrections	8,884	0	0
	Net Budget Movement	8,441	-1,444	0

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Appendix D

Transformation Plan

1. Background

In late 2020, the Council approved the Croydon Renewal Plan. This comprehensive plan drew together a wide range of improvement actions and projects which had been identified through external and internal reviews, with a particular focus on improving the Council's governance systems, structures and processes and a savings programme to address the serious financial challenges.

The plan was developed at a time when the Council was subject to a S114 notice, where expenditure far exceeded the available budget. The External Auditors had also issued a Report in the Public Interest, identifying a range of failings in the Council's governance and financial structures.

The Croydon Renewal Plan enabled the Council to secure Government support in the form of a capitalisation direction. This allowed the Council to utilise up to £120m of capital funding to support revenue costs over a period of three years. The Government appointed an Improvement and Assurance Panel to provide external advice, challenge and expertise to the council, along with assurance to the Secretary of State that the council was delivering against the renewal plan.

The new Executive Mayor has made clear that his number one priority is to balance the books and make Croydon a financially sustainable Council which listens to residents and provides good quality services. One of Mayor Perry's first acts was to launch an 'Opening the Books' review to assess the Council's financial assumptions and outstanding historic accounting issues. Despite progress being made across the renewal plan, the scale of the financial challenge facing Croydon should not be underestimated. The 'Opening the Books' review has identified substantial accounting corrections that have one off and ongoing implications for the Council's budget.

It is crucial that the Council begins to take a transformational approach rather than continuing to salami slice budgets; this Transformation Plan, with a programme of cross-directorate transformation projects, sets out this new approach to a more modern way of working, that is cost effective and responds to different needs from different residents. Ultimately Croydon Council will become smaller, doing less but – crucially – doing it well.

The programme is being developed but already consists of over 30 projects, many of which require careful reform of the large budget services providing vital adult and children's social care support

2. Progress on transformation to date

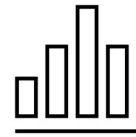
Over the past two years the Council has delivered numerous improvements in its governance and financial management. This has included making over £90m in savings in 2021/22 and 2022/23 and generating £50m in asset sales.



Implementation of a new telephony system, providing improved reliability, adaptability and data



The Housing Improvement Board has launched, which is overseeing the improvement programme for our tenants



Launched improved financial reports alongside internal training



Implementing an Adults Improvement Plan



Establishing a Children's Improvement Board



Rationalising our ICT infrastructure, whilst improving use of digital opportunities in services



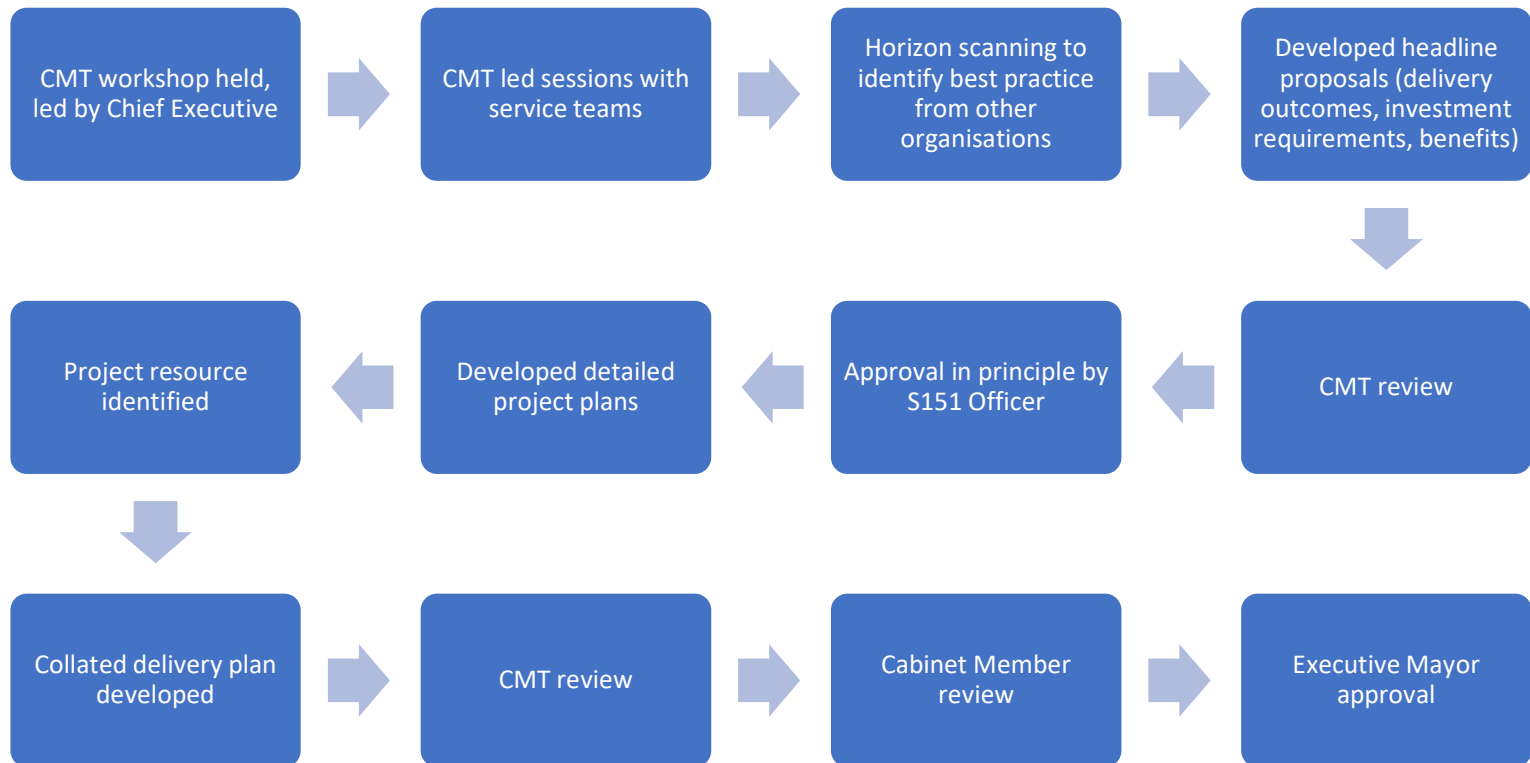
Implemented improved governance structures



£90m savings deliver over two years

3. The process for developing the transformation plan

This Transformation Plan is about taking a new approach to change in Croydon Council. Change needs to happen across service silos, looking at redesigning services, processes and structures to be more cost effective and to better respond to our residents different needs. Transforming Croydon Council will result in a smaller organisation that does less – but does it well for the benefits of our residents. This approach has to be owned across the organisation, delivered collectively and the plan has been developed in the same way.



4. Summary of projects

There are 39 individual programmes across 7 transformation portfolios. Further details of each programme are set out in the appendix.

Cross Cutting Projects	
Community Equipment Services – Financial Viability and Options	Income and Debt Review - Fees, Charges & Debt Management Review
Business Intelligence Review	Workforce Transformation – HR Transformation
Family Justice Service review	Continuing Care Review
Croydon Campus	Customer Access Review
Commercial & Income Opportunities	Passenger / SEN Transport transformation
Resilient Communities and Community Hubs	Strategic Planning & Commissioning
Voluntary Sector review	

Housing
Temporary Accommodation Case Review
Housing Occupancy Checks
Housing Needs Restructure
Rent Accounts & Data Cleanse
Dynamic Purchasing System - Emergency Accommodation
Housing Association Recharges
Supported Housing Review

Sustainable Communities
Building Control Transformation
Parking Policy 2022
Planning & CIL transformation

Children, Young People & Education
Managing Demand at the Front Door
Shared costs of care and education
Reduction in spend on children and young people in care
SEND review

Assistant Chief Executive
Digital Workforce Review

Adults Social Care
Transitions Commissioning
Domiciliary Care Re-model
Reablement & Hospital Discharge
Review Social Care Placements
Mental Health S117 project

Resources	
Supported Exempt Accommodation Review	MTFS – PFMI Contract Manager
Asset review	Housing Benefit review

5. Governance

As set out in the appendix, each programme has the following in place to ensure successful delivery:

- Senior accountable officer
- Senior responsible officer
- Project manager

The **Senior Accountable Officer (SAO)**, is ultimately accountable and has a Yes/No say or, the right to veto

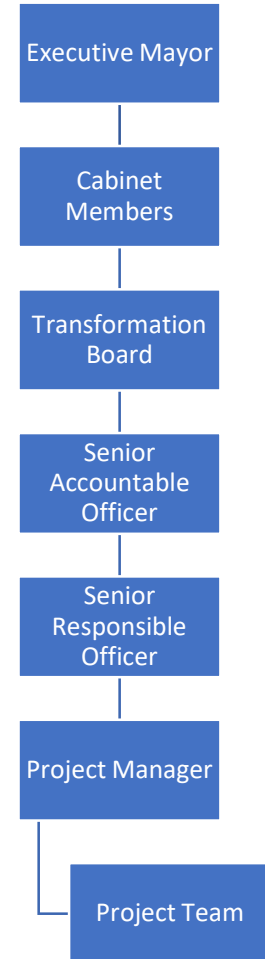
The **Senior Responsible Officer** is the individual responsible for ensuring that a programme or project meets its objectives and delivers the projected benefits. The **(SRO)**: is the visible owner of the overall business change and should be recognised throughout the organisation

Project managers plays the lead role in planning, executing, monitoring, controlling, and closing out the project. They are responsible for the entire project, the project team and resources, the project budget, and the success or failure of the project – in some instances the SRO and PM are one and the same.

In addition to the project roles, an organisation wide portfolio management resource is in place within the Assistant Chief Executive's directorate.

A new Transformation Board will be established to receive highlight reports for all projects and programmes. This will ensure that:

- Progress against key milestones are monitored
- Progress against agreed outcomes are monitored, with project teams accountable for delivery
- Resources requirements are understood and prioritised to the most important areas and to ensure that there is capacity to deliver transformation in additional to BAU activities
- Project risks are escalated where additional action is required



Annex: Transformation Projects

Name of project	Description	Invest	Efficiency Target
Cross Cutting			
Community Equipment Services – Financial Viability and Options	Review Community Equipment Services to establish management model	Nil	TBC
Business Intelligence Review	Better use of in-house data to improve income	Nil	£1m
Family Justice Service review	To explore alternative funding models for domestic violence services	£100k	£350k per annum from 2024/25
Croydon Campus	To reconfigure Croydon Campus including Town Hall, BWH and Davis House introducing a Community Hub to improve customer experience	£250k (only £125k required in 2022/23)	TBC
Commercial & Income Opportunities	To maximise income from a range of commercial and trading services. Look at income performance and opportunities for growth	TBC	TBC
Resilient Communities and Community Hubs	Use library buildings as multi-use community hubs to provide an improved service offer in one location and free up assets	£250k (only £100k required in 2022/23)	£430k (deliverable from 24/25) capital of receipt target of £2m

Name of project	Description	Invest	Efficiency Target
Strategic Planning & Commissioning	Manage demand for statutory services by planning and commissioning new models of delivery	£290k over 2 years (only £90k required in 2022/23)	Add detail here
Customer Access Review	Develop a customer service model that uses digital, voice and face to face in the most efficient way.	£200k	Delivers previous savings of £2.5m already built into the Medium Term Financial Strategy in March 2022.
Voluntary Sector review	Reshape the voluntary sector expenditure to commission locally where possible, provide support and reset relationships	Nil	£2m
Income and Debt Review - Fees, Charges & Debt Management Review	To correctly price fees and charges and improve management of demand	£50k	£500k
Workforce Transformation – HR Transformation	Review target operating model and support organisational change, reduce requirement on agency staff	£78k	TBC
Passenger/SEN Transport transformation	To review the approach to providing passenger transport to SEN children and adults - that includes consideration of personal travel plans and new commissioning approach	£100k	£600k per annum from 24/25 Cost avoidance only
Assistant Chief Executive's			
		£80k	£1m

Name of project	Description	Invest	Efficiency Target
Digital Workforce Review	To establish future workforce model that reflects a smaller council delivering statutory services in the most cost-effective way & satisfies the need to deliver services to the council		
Adult Social Care and Health			
Transitions Commissioning	Develop pathway across Children's & Adults to commission enabling services	£82k	TBC
Domiciliary Care Re-model	Remodel end to end process for provision of Domiciliary Care	£110k	TBC
Reablement & Hospital Discharge	Establish community reablement service	£60k	TBC
Review Social Care Placements	Review all care packages	£605k (only £300k required in 2022/23)	TBC
Mental Health S117 project	Improved processes and procedures for meeting the Section 117 after-care needs, reviewing cases, with an expectation there will be saving opportunities linked to the disproportionate share of funding between the council and health.	178k	TBC
Adult Social Care Transformation	The final year of the ongoing Adult Social Care transformation programme.	£1,100k	Savings of £9,665k in 2023/24 per the March 2022 MTFS
	TBC	TBC	TBC

Name of project	Description	Invest	Efficiency Target
Strategic Operating Model Design Partner			
Children, Young People and Education			
CSC managing demand at the front door	Maintain reduction in demand for statutory services	£110k	£200k
Review joint funding arrangements across education, health and care	Review all joint funding arrangements across education, health and care	£110k	£250k from 2024/25
Fostering service transformation	Develop a new approach to in-house Foster Care	£92k	£225K
Transformation of Calleydown respite centre	TBC	TBC	TBC
Extend locality SEND support	More children with SEND attend local schools	£240k	TBC
Housing			
Temporary Accommodation Case Review	To review circumstances of households placed in temporary accommodation on a discretionary basis and to formulate an exit plan for those to whom the Council does not owe a main housing duty.	£291k	£1.05m

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Name of project	Description	Invest	Efficiency Target
Housing Occupancy Checks	Approximately 2000 statutory homeless households are in emergency and temporary accommodation. Currently, no regular checks are carried out in relation to occupancy or welfare. Conducting occupancy checks will enable LBC to end the homelessness duty to approximately 100 households.	£291k	£700k
Housing Needs Restructure	The Housing Needs service must be restructured to improve the Council's early intervention and demand management. To deliver the savings, a transformation lead must be recruited.	£60k	£300k
Rent Accounts & Data Cleanse	Recruitment of a data cleanse officer will ensure the Housing directorate has accurate information on the reasons for accommodating households in temporary accommodation. The officer will enable accurate reporting of temporary accommodation numbers to the government which will positively impact the Homelessness Prevention Grant (HPG).	£26k	£0k (N.B. GF data cleanse will facilitate the delivery of the Housing Occupancy Checks efficiencies below)
		£92k	£250k

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Name of project	Description	Invest	Efficiency Target
Dynamic Purchasing System - Emergency Accommodation (Requires further work, was re-submitted 13/09/22)	An emergency accommodation DPS with a framework of providers will formalise arrangements, ensure best value and compliance, and make the Council more effective.		
Housing Association Recharges (Approved)	Transformation request for a Housing Liaison officer who will be focused on the governance of all relevant contracts and nomination agreements to maximise properties the Council can use to move households out of emergency and temporary accommodation.	£59k	£78k
Supported Housing Review (Requires further work and has not been re-submitted)	A senior commissioning lead should be recruited to carry out the review of the Council's housing related contracts across the Housing and ASC&H directorates to formalise arrangements, ensure best value and compliance, and address areas of overlap in provision.	£80k	TBC
	Review SEA and establish occupation and charging principles	TBC	TBC

Name of project	Description	Invest	Efficiency Target
Supported Exempt Accommodation Review			
Resources			
Asset Review	Reprofile asset portfolio	TBC	TBC
MTFS – PFMI Contract Manager	Introducing & improving PFI Contract management	TBC	TBC
Housing Benefit Review	Reduction in Benefit payments	TBC	£1m
Sustainable Communities			
Building Control Transformation	Develop a new operating model to meet current and new statutory obligations	£350k in year one + (£100k capital investment for IT investment) (only £100k is required in 2022/23)	£300k per annum once transformation programme delivered
Croydon Museum Transformation	To determine the best future and funding model for Croydon Museum to ensure its long-term stability and funding	TBC	TBC
Parking Policy 2022	Develop a new Parking & Enforcement Strategy	£200k	400k per annum
			£250k per annum from 2024/25

Name of project	Description	Invest	Efficiency Target
Planning & CIL Transformation	Transformation of Planning Service e.g. CIL & S106 Strategy, including digital/ICT automation	£200k £100k investment in ICT (only £100k is required in 2022/23)	
Total		£5.934m (only £4.604m of funding is required in 2022/23)	

Croydon - Grants Forecast based on the 2023/24 Final Local Government Finance Settlement

	Budget	Final LGFS	Future Forecast		Comments
	2022/23	2023/24	2024/25	2025/26	
	£'m	£'m	£'m	£'m	
Lower Tier Service Grant	0.681		-	-	Grant ended in 23/24.
Improved Better Care Fund	9.978	9.978	9.978	9.978	
Services Grant	5.104	2.994	0		
New Homes Bonus	4.115	1.646	0	-	
EFA Education Services Grant	1.967	1.967	1.967	1.967	Not yet confirmed
Local C/Tax Support Admin Grant	0.448				Grant rolled into RSG.
DWP Hsg Benefit Admin Grant	1.350	1.350	1.350	1.350	Not yet confirmed
Social Care Grant	11.120	18.999	28.257	28.257	
Independent Living Fund*		-0.960	-0.960	-0.960	Grant rolled into Social Care Grant
Centrally Retained DSG**	2.570	2.056	2.056	2.056	Subject to review against actual commitments
One-off Business Rates levy surplus distribution 2022 to 2023		0.621			New allocation announced in the Final 2023/24 LGFS. Payable in 2022/23 but assumed for use in 2023/24
Core Grant Funding	37.333	38.651	42.648	42.648	Budgeted for Corporately
New Adult Social Care discharge fund	-	1.399	2.331	2.331	Budgeted for within Adult Social Care
Market sustainability and Improvement fund	0.946	3.281	4.934	4.934	Budgeted for within Adult Social Care
Adult Social Care Grants	0.946	4.680	7.265	7.265	
Revenue Support Grant	14.646	16.711	17.628	17.628	
Total All Grants	52.925	60.042	67.541	67.541	
Net movement against the prior year					
Core Grants		1.318	3.997	0.000	
Revenue Support Grant		2.065	0.917	0.000	
General Grants		3.383	4.914	0.000	
Adult Social Care		3.734	2.585	0.000	
		7.117	7.499	0.000	

* The Independent Living Fund grant is budgeted for within Adult Social Care.

The grant forms part of the social care grant allocation for 2023/24. To equalise the base 2023/24 position it is shown as a deduction from core grants as this funding will need to offset the ASC pressure.

** Local authorities can apply for protection if their historical prudential borrowing costs exceed the 2023/24 grant allocation. Review is in progress to establish if Croydon may receive such protection. The current forecast assumes it does not.

*** The 2024/25 forecast is based on analysis by London Council's (22 December 2022). A grant freeze is assumed for 2025/26 pending any update on fair funding and other reforms.

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Business Rates - Forecast

	2023/24	2024/25	2025/26	
	£'m	£'m	£'m	
Section 31 grant for underindexing the business rates multiplier	12.419	12.419	12.419	In line with the NNDR1 Return for 2023/24
Business Rates-top-up grant	35.921	37.864	40.005	2023/24 as per the LGFS. 2024/25 updated in line with London Councils modelling
In-Year Business Rates Income	32.168	33.909	33.909	Croydon 30% share of business rates income collected. Estimate based on the 2023/24 NNDR1.
Other section 31 grants (for business rate reliefs)	10.338	11.479	11.479	Based on NNDR1 for 2023/24. Future years updated
Prior Year Adjustments	-12.215	0	0	Arising from prior year rebates
Draw down from business rates reserve	12.215	0	0	Reserve c/fwd to 23/24 of £19.633m funded from section 31 grants received for covid business rate reliefs. This is matched against the prior year adjustments.
Total - All Business Rates	90.846	95.671	97.812	

Croydon Budget Presentation

Section 31 grant for underindexing the business rates multiplier	12.419	12.419	12.419
Business Rates Income	78.427	83.252	85.393
Total	90.846	95.671	97.812

Notes:

- A business rates revaluation is effective from 1 April 2023. The impact should be neutral but the split between income and the top-up grant may change. Transitional reliefs may also apply and change the level of section 31 grants.
- This forecast is based on the NNDR1 submitted in January 2023.
- The business rates system is due to be rebased from 2025/26. For the purpose of this forecast the impact is assumed to be neutral.
- Croydon will carry forward a business rate relief reserve of £19.633m to 2023/24. This was funded from government section 31 grant received in respect of business rate reliefs provided during Covid. The reserve is now matched against the prior year business rate adjustments arising from the impact of Covid.

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REPORT TO:	Corporate Director of Resources – Jane West
SUBJECT:	Calculation of the Council Tax Base 2023/24, and Determination of the 2022/23 Collection Fund Deficit for Council Tax
LEAD OFFICER:	Andrew Lord – Interim Finance Consultant

1. Recommendations

- 1.1 Note that the Local Council Tax Reduction (Support) Scheme (CTS) is revised following review and due regard to the statutory consultation feedback from 1st April 2023.
- 1.2 The Executive Mayor in Cabinet will recommend to full Council to agree to remove the minimum income floor for disabled working claimants, change the amount the income bands are to be increased to match the increase in Council Tax and to introduce non-dependant deductions for disabled not working claimants, excluding cases where the non-dependant is in receipt of carers allowance for the claimant.

Delegated Approval

- 1.3 By the delegation granted to the appointed S151 Officer by the Corporate Services Committee on 7th January 2004, I determine that the 2023/24 Council Tax Base for the London Borough of Croydon be **137,230.9 Band D equivalent properties**.
- 1.4 That the forecast Council Tax Collection Fund deficit for the financial year 2022/23 is estimated to be **£2,427,987 – of which the Council's share would be £1,985,867, and the GLA's share would be £442,120.**

Jane West
Corporate Director of Resources (section 151 officer)

Dated: January 31 2023

2. Purpose of Report and Executive Summary

- 2.1 Section 33 of the Local Government Finance Act (2012) and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 require the Council as the Billing Authority to calculate a Council Tax Base for

its area after 30th November and before 31st January in the previous financial year and duly notify precepting authorities (the GLA) within the same timescales.

- 2.2 In calculating the tax base regard is given to the number of hereditaments (properties) existing on the taxbase at the time of determination; anticipated future changes over the course of the remaining current financial year and throughout the future financial year; impact of discounts and exemptions (either nationally determined or locally set); premia (as relating to long-term empty hereditaments); anticipated collection rates; and prescribed proportions of property for each Council Tax Band in relation to a standard Band D charge.
- 2.3 The annual determination of the taxbase is by necessity an “*estimate*” for the forthcoming financial year and will differ from that experienced over the next year. Regulations require that as well as calculating the future year taxbase, a forecast surplus or deficit against the in-year Collection Fund position is calculated and reported to precepting bodies.
- 2.4 The calculations set out in the body of this report estimate a council tax base of **137,230.9 Band D equivalent** properties for 2023/24. This is an increase of 860 Band D equivalents over that approved for 2022/23 and, at the £1,570.07 Band D charge approved by Croydon Council, for 2022/23, represents a positive **movement against base budget of £1.350m** (this being prior to a Council decision on setting the 2023/24 Band D charge).
- 2.5 The detailed tax base calculation is shown by component and individual banding in Appendix 1. The calculation is based on data provided by Croydon to the Department for Housing Levelling-Up and Communities in the October 2022 CTB1 return with an allowance made for an increase of 2,108 in the number of new dwellings. The underlying increase in the 2023/24 tax base is 1.13% which is in line with the historic 5-year average increase.
- 2.6 The latest data is used to model the estimated discounts provided through the CTS with allowance made for a trend increase of 10 Band D equivalents per month. When the Council set the 2022/23 budget an incremental saving of £1.2m was modelled for 2023/24 regarding previously approved changes to the CTS. The updated CTS is now in operation and reflected within the CTS discount figures set out in Appendix 1. The CTS discounts now modelled for 2023/24 are 16,393 compared to 16,955 in 2022/23 – a benefit of 562 properties equivalent to saving of approximately £0.9m.
- 2.7 The forecast collection rate for 2023/24 is modelled at 97.5% compared to 98.5% for 2022/23. The increase in the cost-of-living is impacting on the current in-year collection rate and this trend is likely to continue in 2023/24. The 1% reduction in the collection rate is equivalent to a reduction of 1,387 Band D equivalents.

2.8 A summary of the movement in the forecast 2023/24 taxbase is set out below:

	Band D Equivalents
2022/23 Council Tax Base	136,370.8
Allowance for new dwellings	2,108
Reduction in forecast collection rate from 98.5% to 97.5%	-1,387
Other movements including discounts and exemptions	139.1
2023/24 Council Tax Base	137,230.9

Prior Year Collection Fund Deficit

2.9 Due to the Covid-19 pandemic national council tax collection rates were less than expected in 2020/21. In a measure designed to help local authorities the government announced that local authorities could spread their estimated 2020/21 collection fund deficit over 3 years rather than, as normal, just the following year. 2023/24 will be the last year that this historic deficit will need to be written out and the Croydon share is £2.504m with the GLA share £0.572m.

2.10 At the end of 2021/22 the actual deficit on the collection fund was £1.239m compared to a forecast deficit of £1.887m. This net improvement of £0.648m will partially offset the deficit relating to the final year of the Covid deficit. For 2022/23 in-year collection is on target and no additional surplus or deficit is estimated.

2.11 The net position regarding the prior year collection fund deficit is set out below:

	Croydon	GLA	Total
Third Year of the spreading adjustment re the forecast Covid deficit	£2,503,201	£572,466	£3,075,667
Surplus regarding the 2021/22 collection fund outturn (deficit less than previously forecast)	(£517,334)	(£130,346)	(£647,680)
In-Year forecast 2022/23 collection fund deficit	£0	£0	£0

Total Prior Year Collection Fund Deficit chargeable to 2023/24	£1,985,867	£442,120	£2,427,987
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Appendix 1 – Council Tax Base for 2023/24

2023/24 Council Tax Base	Disabled (no.)	Band A (no.)	Band B (no.)	Band C (no.)	Band D (no.)	Band E (no.)	Band F (no.)	Band G (no.)	Band H (no.)	Total (no.)
Dwellings as per CTB1	-	4,150	23,611	51,438	41,268	23,689	11,768	7,494	654	164,072
Allowance for new dwellings		53	303	661	530	304	151	96	8	2,108
Less Exemptions	-	(64)	(376)	(697)	(463)	(312)	(100)	(56)	(7)	(2,075)
Chargeable Dwellings	-	4,140	23,538	51,402	41,335	23,681	11,819	7,535	655	164,105
Disabled Adjustments (Net)	1	16	124	87	13	(88)	(31)	(94)	(27)	0
Single-Person Discounts (25%)	-	(563)	(3,250)	(4,903)	(2,644)	(1,214)	(502)	(257)	(14)	(13,347)
Other Discounts (50%)	-	(1)	(4)	(13)	(13)	(9)	(14)	(21)	(11)	(84)
Family Annexe Discount	-	(4)	(0)	-	-	-	-	-	-	(4)
Empty Dwellings Premium	-	33	110	146	125	33	19	21	4	493
Local C/Tax Reduction Scheme	-	(882)	(4,526)	(6,021)	(3,527)	(1,074)	(261)	(99)	(3)	(16,393)
Net Chargeable Dwellings	1	2,739	15,993	40,698	35,289	21,330	11,029	7,086	604	134,769
Prescribed Band D Proportion	5/9ths	6/9ths	7/9ths	8/9ths	9/9ths	11/9ths	13/9ths	15/9ths	18/9ths	9.40/9ths
Total Relevant Amount	1	1,826	12,439	36,176	35,289	26,070	15,931	11,810	1,208	140,750
Assumed Collection Rate	97.50%	97.50%	97.50%	97.50%	97.50%	97.50%	97.50%	97.50%	97.50%	97.50%
Council Tax Base 2023/24	0.5	1,780.7	12,127.7	35,271.6	34,407.2	25,418.1	15,532.8	11,514.3	1,178.0	137,230.9

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Budget 2023/24: we want to hear from you

Feedback from public survey

26 January 2023

Executive Summary

This report summarises the responses received to the budget 2023/24 proposals survey. The survey was launched following the approval of the 2023-24 budget update, Medium Term Financial Strategy and savings proposals at Cabinet on 30 November 2022.

1,467 responses were received to the survey which ran between 1 December 2022 and 8 January 2023. This is a very positive response rate when compared to similar engagement exercises.

The survey suggested that respondents gave greatest priority to support for elderly and vulnerable residents, services for children young people, families and education, and rubbish and recycling collections. The lowest ranked service areas, according to respondents, were libraries and culture and leisure and sports facilities.

However, when we look at the comments made in later questions, when respondents talked about specific services, it tended to be those that were ranked lower in terms of priority. This inconsistency is not unusual in surveys of this type. It is also worth noting that the comments about individual services are consistently from a small proportion of the overall survey sample.

In answering how the budget proposals will affect them, the key themes of concern were (number of responses is shown in brackets):

- Increase in council tax (250)
- Cuts and reductions in services (135)
- Vulnerable groups i.e. disabled and elderly residents (82)
- Cost of living (79)

When asked if respondents had any further comments on the proposals, the largest group of responses highlighted the importance of governance and transparency (121) from the council, as well as reference to staff and councillors.

821 respondents provided comments on where the Council should spend more/less, and areas that we could do differently. The majority of comments (155) were around the importance of keeping streets clean and safe.

The theme of clean and safe streets is replicated in the responses to where the council should be looking to bid for external funding with safer communities (89.58%) and cleaner streets (84.32%) coming out top.

Engagement methodology

Following the Cabinet meeting on 30 November 2022, the council launched a five-week budget engagement to seek feedback on the proposals.

A survey was available on the council's resident engagement platform, Get Involved, and widely promoted across council channels and accessible from the front page of the council's website.

The survey design was similar to previous budget engagement surveys used in recent years. Questions utilised different responses structures, with some seeking to understand agreement / disagreement and others having free text responses for people to provide any comments or feedback. The survey was designed to be relatively short in order to maximise the response and completion rate.

Councillors, partners and community groups were encouraged to spread the word and share the survey with their communities. We advised that paper copies/easy read and alternate language versions were available if required, and this was also communicated to key partners and councillors to support any residents unable to access digital channels.

The survey was promoted through all council channels throughout the engagement. This included:

- Press release
- Your Croydon weekly e-bulletin
- Business e-bulletin
- Mayors weekly message and Chief Executive's staff message
- Social media posts (Twitter, Facebook and Instagram)
- Intranet article, plus update asking staff to share with their networks
- Our Croydon e-newsletter
- Communications in libraries and children's centres – library staff briefed to support residents and print out copies of the budget engagement if required
- Email to 561 community and voluntary contacts via the council's VCS team
- All councillor emails
- Shared with youth council and via the youth engagement teams
- Shared with community safety networks
- Facebook post shared with local groups
- Contact centre available to take residents views over the phone if required.

In the week before the survey closed, a further round of communications was undertaken to encourage responses. These included:

- Press release
- Social media posts
- Intranet article
- Reminder to all community groups and councillors
- Message to schools
- Mayor's weekly message and Chief Executive's staff message

Analysis of responses

1,467 responses were received to the survey which ran between 1 December 2022 and 8 January 2023. This is a very positive response rate when compared to similar engagement exercises.

In addition to the specific engagement questions, respondents were asked to provide responses to equality and diversity questions to provide a breakdown of the responses compared to the borough profile.

The communications activities included messages to children's centre and schools. However, the response rate for people aged 0-19 was lower than other age groups. This is, however, similar to other engagement surveys both in Croydon and other areas. Other age groups were well represented.

Respondents came from a wide range of ethnic groups, although no weighting has been applied to the results. The largest response group identified as White English/Welsh/Scottish/Northern Irish/British (61%). This is higher than the borough profile from the 2021 Census, where 48.4% of the population identified as White. Black, Asian and Mixed ethnic groups were underrepresented in the response rate compared to the Census 2021 profile for Croydon.

11.6% of respondents identified as having a disability. This is slightly below the boroughwide level identified in the 2021 Census of 14%.

In relation to faith, the largest groups of respondents were those that identify as Christian (45%) which is very similar to the Census 2021 level. The next highest response group was those with no religion and this was also similar to the borough profile according to the 2021 Census data. However, the response rate for those identifying as Muslim was lower than the borough profile.

In relation to sex, the proportion of respondents identifying as female was very similar to the borough profile. Male respondents were slightly underrepresented compared to the borough profile.

In relation to partnership status, 53.1% of respondents were married. This is an over representation compared to the 2021 Census profile, where 32.8% were married. There was also a higher response rate from those in a registered civil partnership compared to the borough profile.

Full details of the response rates by demographics are provided in the appendix.

The remainder of this report provides a summary of the results and analysis of the feedback. Analysis is provided against each question of the survey.

Analysis

Question 1: The council spends £300m a year providing hundreds of local services to 390,800 people. Please rank these services in order of importance to you, with 1 being the most important and 9 being the least important:

All 1,467 respondents completed this question.

The table and chart below show how the services were prioritised according to the average ranking given by respondents.

The two largest services, by budget, were ranked first and second in the order of priority: support for elderly and vulnerable adults (Adult Social Care) and services for children, young people, families and education (Children, Young People & Families).

The next group of services, ranked 3rd and 4th on average, were universal services: rubbish and recycling collection, and keeping streets safe and clean.

The average ranking then shows a clear gap, from 3.99 to 5.09. Housing, parks and open spaces and economic growth scored between 5.09 and 5.71 on average.

Libraries and culture and leisure and sport facilities received the lowest average rank.

The Mode ranking is also provided – showing the most common ranking provided. This can be useful where averages sometimes mask variation in scoring.

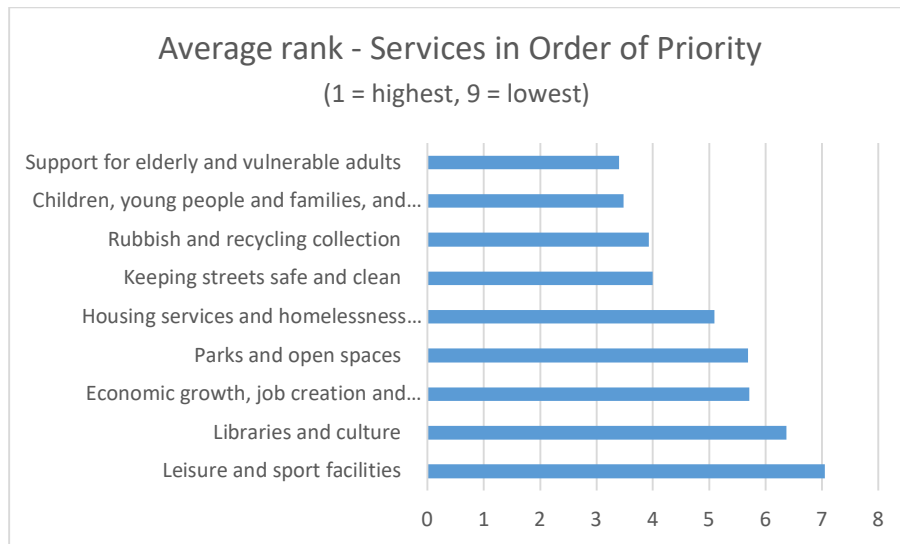
For example, although housing services and homelessness prevention had an average rank of 5.09, the most common ranking was actually 3. Meaning a large number of respondents ranked housing services higher than the average suggests.

The reverse is true for economic growth. Whilst the average score was 5.71, placing it above libraries in the priority order, the most common rank was 9. The most common score for Libraries, however, was 7.

Table 1:

Order of priority	Service	Average rank	Mode (most common rank)
1 (most important)	Support for elderly and vulnerable adults	3.40	1
2	Children, young people and families, and education	3.48	1
3	Rubbish and recycling collection	3.92	3
4	Keeping streets safe and clean	3.99	4
5	Housing services and homelessness prevention	5.09	3
6	Parks and open spaces	5.69	7
7	Economic growth, job creation and regeneration	5.71	9
8	Libraries and culture	6.37	7
9 (least important)	Leisure and sport facilities	7.05	9

Chart 1:



Question 2: Do you think our budget proposals will impact you and if so, how?

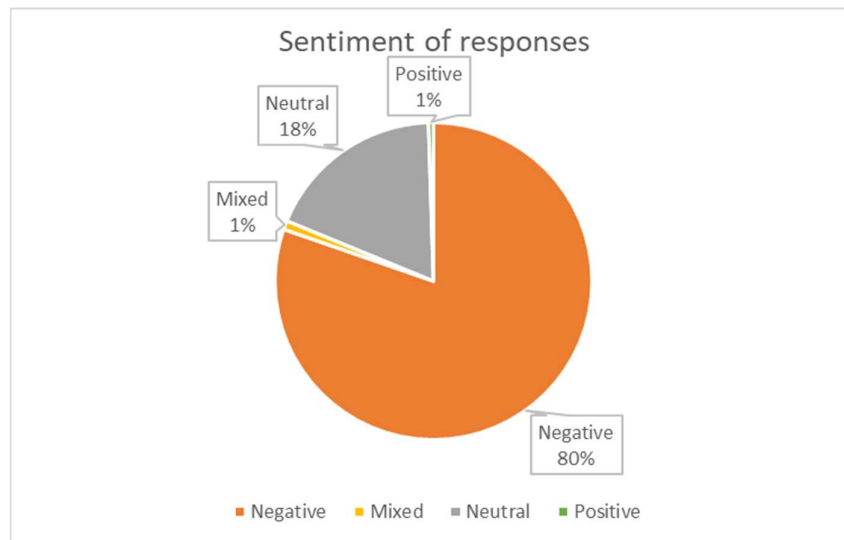
As part of the budget engagement, we wanted to understand if residents felt that the budget proposals would impact on them. We also asked residents to indicate how, and within the analysis have categorised these responses as having a positive, neutral or negative impact. For example, some respondents suggested that the increase in Council Tax would have a negative impact on them because of the financial impact this would have on them.

941 people responded to this question:

- 730 (77.6%) indicated that the budget proposals **will** have an impact
- 54 (5.7%) indicated that the budget is **not likely** to have an impact
- 157 (16.7%) did **not clearly state** whether the proposal will have an impact on them.

The chart below demonstrates how residents indicated the budget proposals would impact on them.

Chart 2:



Further analysis of the responses to this question was undertaken to identify which budget proposals people identified as impacting on them.

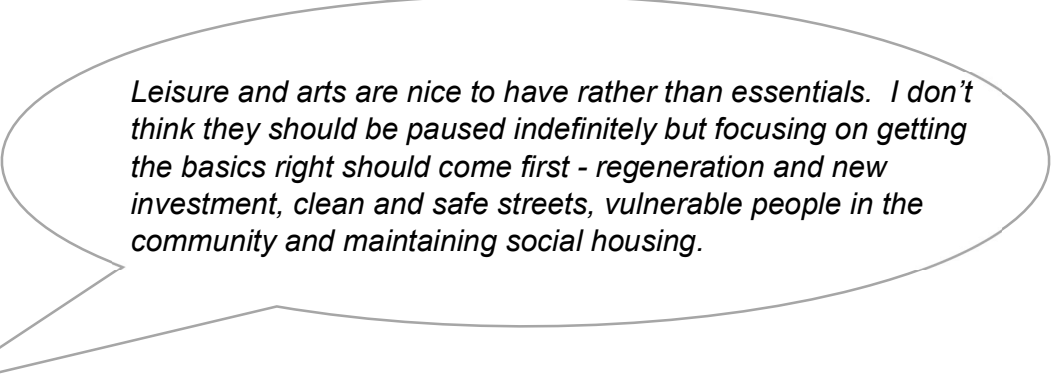
The table below provides a breakdown of the key proposals that were identified by respondents as having an impact. The table highlights those where 5%+ of respondents (47) commented.

Table 2:

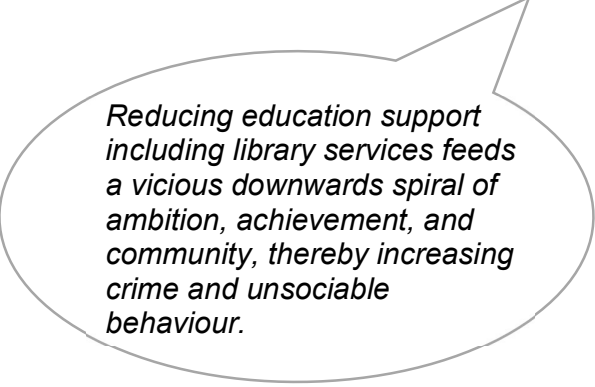
Area (number of responses)	Description
Council tax (240)	The respondents expressed their worries about any council tax increase and its impact. In particular there were comments that Council Tax was increasing when services were poorly performing or reducing.
Service cuts and reduction (135)	The respondents were worried that any cuts to, or reduction in services might affect them. These covered multiple budget proposals and/or included general statements about service reductions.
Libraries (103)	Libraries was identified as a specific service area where respondents indicated that they or the community would be affected. The responses were concerned about reductions in the service.
Vulnerable groups (82)	The respondents were worried that vulnerable groups (pensioners, disabled, elderly etc.) may be particularly affected by the cuts and additional costs. Comments in this area included concerns about the impact on the voluntary and community sector, which supports vulnerable residents as well as the direct services provided by the Council.
Cleanliness and maintenance (79)	The respondents indicated that further cuts may affect the cleanliness and maintenance of the streets and community spaces.
Cost of living (79)	The respondents indicated that their standard of living might decrease due to the proposed changes, with the budget proposals coming alongside the wider cost of living changes and inflationary pressures facing households.
Safety (47)	The respondents indicated that safety (both crime and environmental risk e.g. flood) might be affected by the budget proposals.

In addition to the numerical analysis, a sampling of the responses is provided for context.

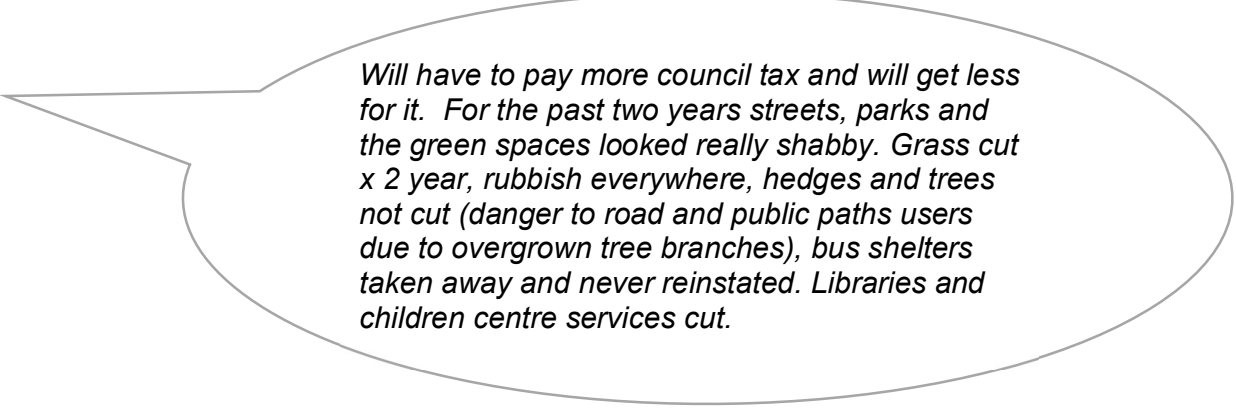
Examples of responses:



Leisure and arts are nice to have rather than essentials. I don't think they should be paused indefinitely but focusing on getting the basics right should come first - regeneration and new investment, clean and safe streets, vulnerable people in the community and maintaining social housing.



Reducing education support including library services feeds a vicious downwards spiral of ambition, achievement, and community, thereby increasing crime and unsociable behaviour.



Will have to pay more council tax and will get less for it. For the past two years streets, parks and the green spaces looked really shabby. Grass cut x 2 year, rubbish everywhere, hedges and trees not cut (danger to road and public paths users due to overgrown tree branches), bus shelters taken away and never reinstated. Libraries and children centre services cut.

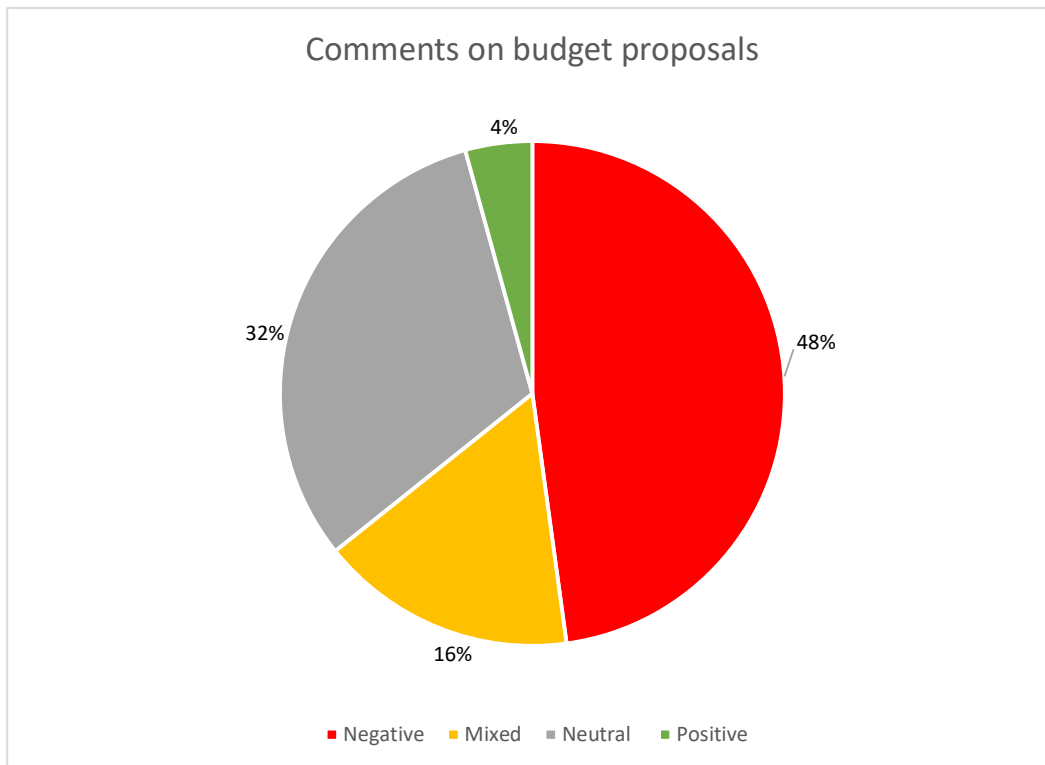
Question 3: Do you have any further comments on our proposals?

Within the engagement survey we wanted to give respondents every opportunity to give their feedback, and not be limited to only closed choice questions. Respondents were therefore invited to provide any further comments through a free text format.

690 respondents provided comments. In analysing these comments, we have coded the comments in two ways. Firstly, each response was identified as positive, negative or neutral. Some comments gave both positive and negative comments – these were coded as mixed responses

As shown in the chart below, 48% of the respondents expressed negative opinions about the budget proposals. 32% of the respondents expressed neutral feelings towards the proposals. Only 4% of the comments to this question were positive about the budget proposals.

Chart 3:



The second stage of analysis was to code the comments according to the issues or themes raised by the respondent. As this was a free text response, there was significant variety in the comments.

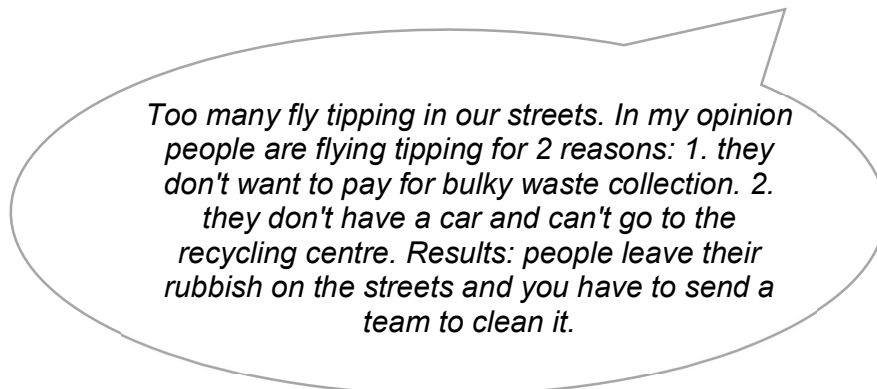
The table below provides a breakdown of the key themes raised by respondents. The table highlights those where 5%+ of respondents (35) commented.

Table 3:

Theme (number of responses)	Summary
Council / staff / governance (121)	The respondents indicated themes around senior pay, councillor allowances, us of consultants/agency staff and being more transparent in relation to expenditure and decision making. References were also made to historic matters, such as commercial investments and projects
Local Businesses and Economic Regeneration (56)	The respondents indicated the importance of innovation and investing in local businesses, town centres and open spaces
Libraries (47)	The respondents indicated that they or the community would be affected by the library cuts
Clean streets / safety (49)	The respondents indicated that safety in Croydon should be considered when discussing budget proposals. The respondent indicated concerns about street/town centre/neighbourhood cleanliness

In addition to the numerical analysis, a sampling of the responses is provided for context.

Examples of responses:



We should prioritise people, health and wellbeing, and make sure the poor and vulnerable are looked after. In the current situation, it's less important to spend money on removing graffiti, cutting the grass, sweeping the streets every day or improving district centres. We should also prioritise working with communities to improve their own situation locally, and promote volunteering and group activities to get things done where there is no money to pay for services.

I was struck during the pandemic at just how many people wanted to volunteer or for example, take Ukrainians into their homes. It was a massive response. Could we harness that goodwill and potential in Croydon more? If we had a safe, credible way of linking volunteers with targeted projects to help schools, libraries, assisting seekers etc. People want Croydon to be successful. Also develop a pool of ambassadors who have Croydon roots to inspire people that Croydon really is a great place to live, work, raise a family and enjoy your older years. Good luck and thanks for the survey- nice to be given the chance to have our view on such important subjects.

Question 4: If the council has opportunities to bid for external funding to invest in any of the following areas, to what extent would you support or not support each of the following?

The Mayor’s Business Plan has emphasised the importance of working in partnership, and supporting these partnerships to secure external funding and investment into Croydon.

The budget engagement survey therefore sought to understand where respondents would prioritise external funding against different service areas. Against each area, respondents were asked to state how much they would support, or not support, investment.

1,467 responses were provided to this question.

A 5-point scale was used for the responses, with respondents indicating how strongly they agreed or disagreed.

The table below summarises the responses. All areas received support for external funding being invested.

Table 4:

Investment areas	Strongly support and somewhat support	Strongly do not support and somewhat do not support
Safer Communities	89.58%	1.43%
Cleaner Streets	84.32%	3.07%
Improving our town and district centres	83.30%	3.61%
Protecting young people and helping them to reach their full potential	83.30%	3.89%
Supporting older people to live longer healthier live	82.48%	4.09%
Investing in our parks and open spaces	79.13%	4.64%
Raising standards in council homes	65.37%	7.57%
Public sports and leisure facilities	65.03%	9.95%
Community projects or services that support communities	64.82%	10.64%

Question 5: Is there anything that we currently spend money on that you think we should not, or anything that you think we could do differently?

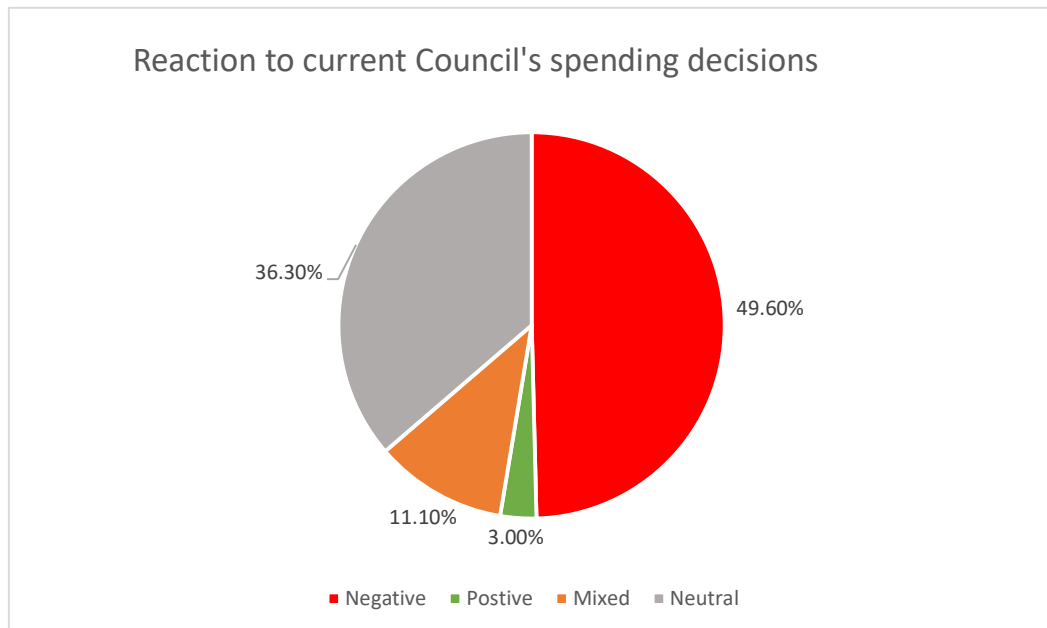
As part of the engagement survey, it was important that respondents were not limited to only comment on the budget proposals that had been identified in the Cabinet report. This question sought general feedback on any areas that the Council should change its expenditure on. The response format was a free text answer.

There were 821 comments responses and a wide range of reactions to the spending decisions of the council.

Similar to other free text answers, the first stage of analysis was to code the comment as to whether it was positive, negative, mixed or neutral.

Most of the respondents (49.6%) felt negative about the spending decisions, but a considerable proportion (36.3%) of responses were neutral towards these decisions. The chart below provides a summary.

Chart 4:



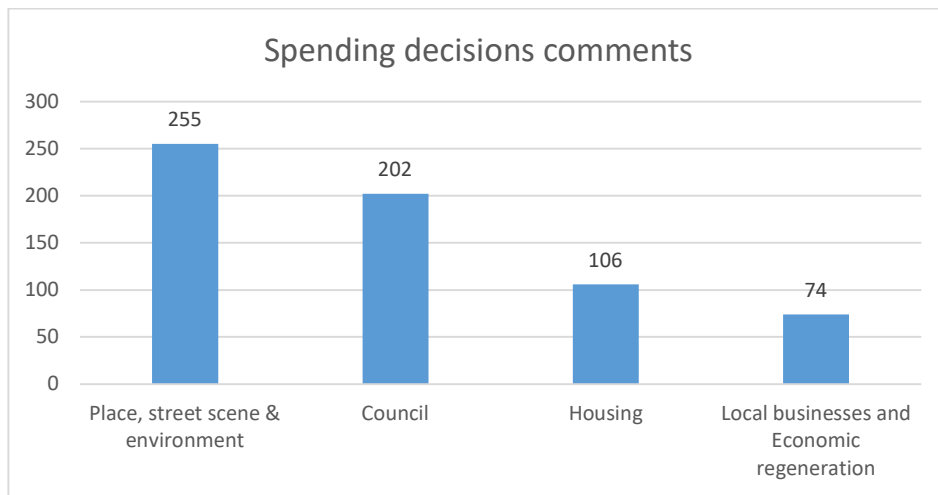
The next stage of analysis was to code the response according to the theme(s) of the comments. These included grouping according to a service area, or to a corporate wide matter such as transparency of spend, councillors or staff generally. Similar to previous questions, this report summarises the key themes raised where 5%+ of respondents (42) commented.

The analysis also identified some misconceptions, such as “stop all the bonuses for top management”, when the Council’s pay policy does not include provision for bonuses.

As can also happen in these types of surveys, there were opposing views in the responses. For example, some comments were arguing for the removal of low traffic neighbourhoods and enforcement cameras; other comments were seeking for enforcement to be strengthened and expanded.

The main themes identified in the responses is summarised in the chart below, with further details then provided on each theme.

Chart 5:



Place, street scene and environment (255 responses)

The main themes that were identified in this category were in relation to street scene and cleanliness, and roads. The respondents emphasise the importance of increasing general appeal of the borough.

Table 5:

Tag	Description
Appearance and Clean Streets (110)	The respondents indicated the importance of cleaner streets, graffiti removal and protecting green spaces. There were suggestions to utilise more volunteers and to invest more funding in these services to improve the appearance of towns and spaces across the borough.
Roads (67)	The respondents indicated the importance of keeping the roads clean and streets made more accessible for pedestrians. There were a range of views in relation to things like cycle lanes and

Tag	Description
	traffic enforcement. Some wanted increases in these areas, others wanted these to reduce or be removed.

Council (202 responses)

Within this theme the categories were broader, covering a range of different aspects. Themes included:

- Staff salary and performance, particularly in relation to senior salaries and the use of consultants, with the general theme being that these should be reduced
- Mayor/Councillors, with comments about the role of Mayor and Civic Mayor, and costs involved, as well as the salary and allowances for Councillors, with the general theme being these should be lower
- Staff retention / concern about the impact of the Council's financial situation on staff

Across the Council based comments there were also comments to previous activities and the need for increase transparency with stronger audits and more information sharing.

Housing (106 responses)

Whilst there was a significant proportion of comments about housing, the themes were extremely varied. Comments highlighted the need for investment in housing stock, with reference to ensuring the empty or underused buildings were a priority. There were also competing views in many areas (more housing vs less housing). There was concern about the wider economic position and the impact this would have on housing and homelessness.

Local business and Economic Regeneration (74 responses)

Within this area a key theme was in relation to previous activities or schemes. The largest theme, and only one with more than 5% of responses, was made in relation to town centre/regeneration, with reference to Westfield not proceeding and the need for a clear vision to improve the town centre.

Community Engagement (43 responses)

Comments in this theme focused on creating a sense of community, getting the public involved in community matters, including community projects. References were made to supporting the voluntary and community sector, as well as opportunities for greater volunteering.

Examples of responses:

Sell the leisure facilities off, they'd be better run by private gyms.

Spend it on streets cleans off graffiti and litter

Why has Croydon council got such an enormous and palatial new office building? Presumably you can get people working at home more and downsize. That place must cost a fortune. Maybe some of the answers to the financial problems lie close to home? Will tough decisions be made about that building or will it be libraries and arts facilities that get thrown on the bonfire instead?

There's no point in saving pennies by, for example, turning the lights off, or cutting teams size down by a few members. Big projects need to be created that will bring significant wealth to Croydon, but that's so easy to say and I have no idea what such projects might consist of...

Stop wasting money on traffic calming measures like the 20mph zones

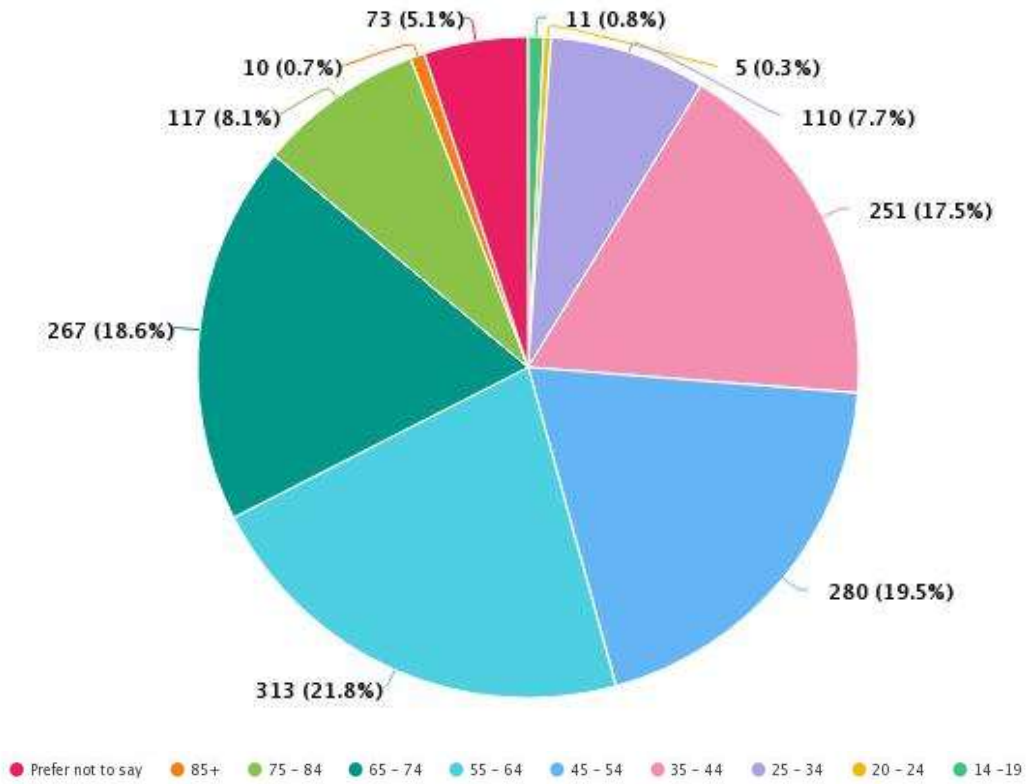
Spend the reserves paying of more debt will decrease the amount of interest payable if there is no money left so be it. That's how normal people have to operate.

Financially supporting community schemes should be something only to be considered during "years of plenty". While the council is cash-strapped, local communities will need to rely much more on their own resources and ingenuity

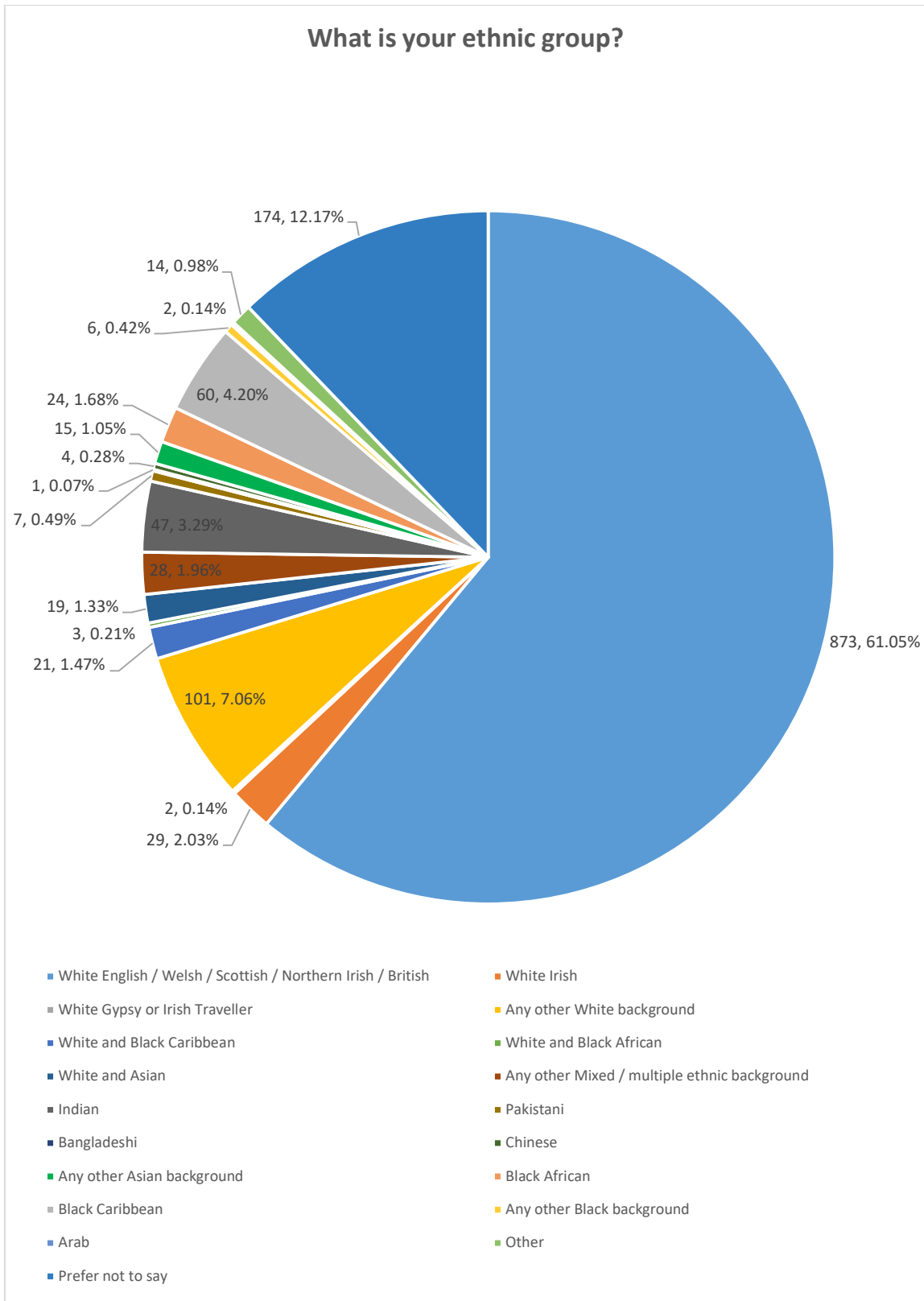
More money should be spent in improving current housing conditions and helping the vulnerable with living conditions

Appendix – Demographic analysis

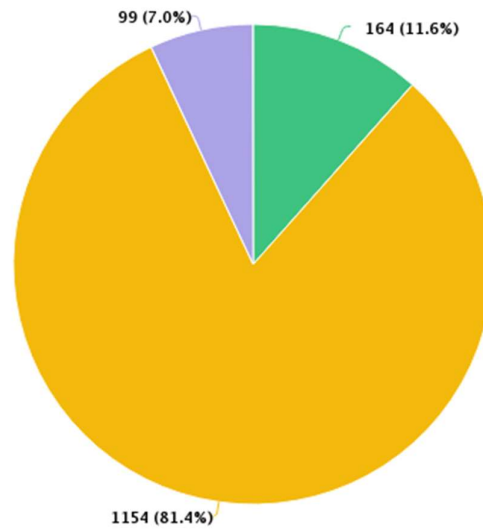
Age – Which age group applies to you?



Ethnic group – What is your ethnic group?

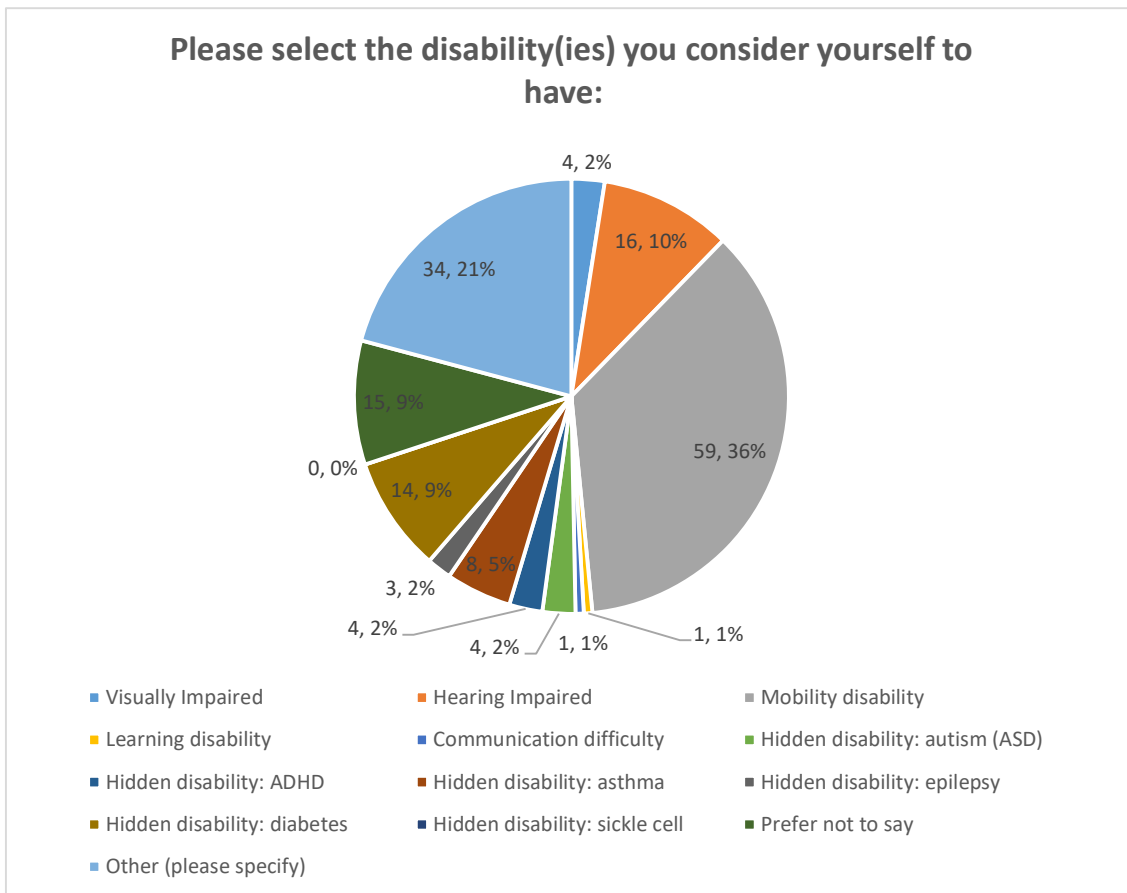


Disability – Do you consider yourself to have a disability?

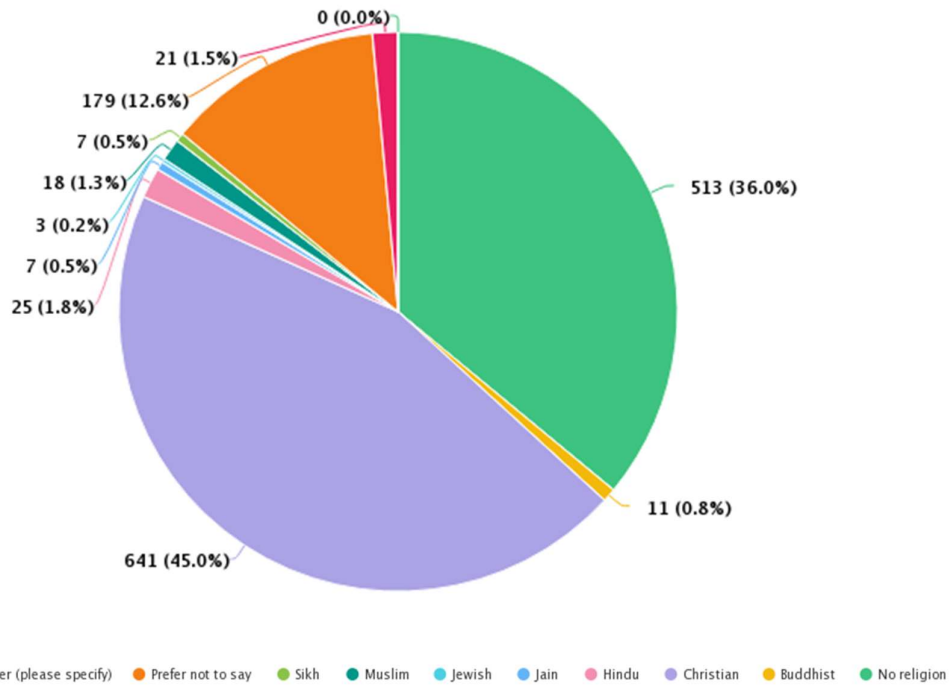


Question options
 (Click items to hide)
 ● Prefer not to say ● No ● Yes

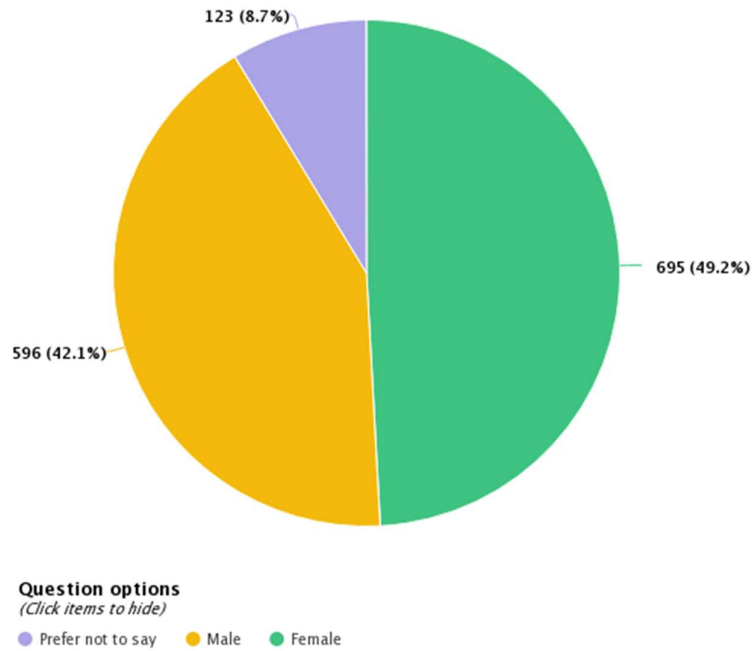
Disability – Please select the disability(ies) you consider yourself to have:



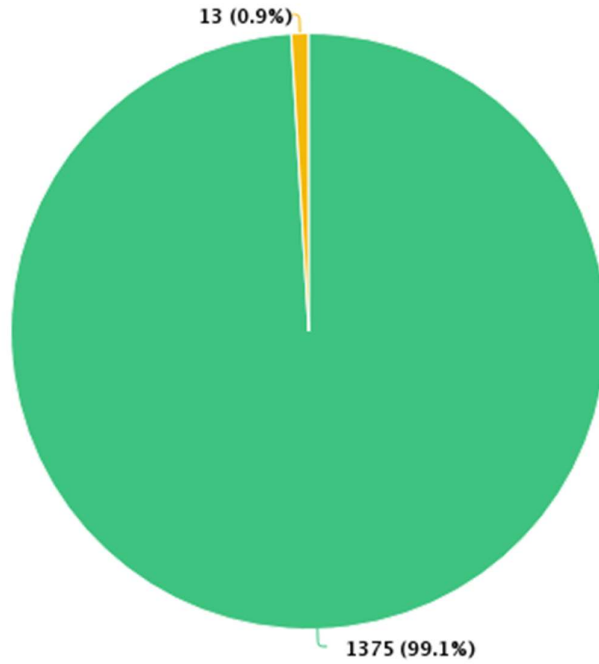
Religion – What is your religion?



Sex – What is your sex?



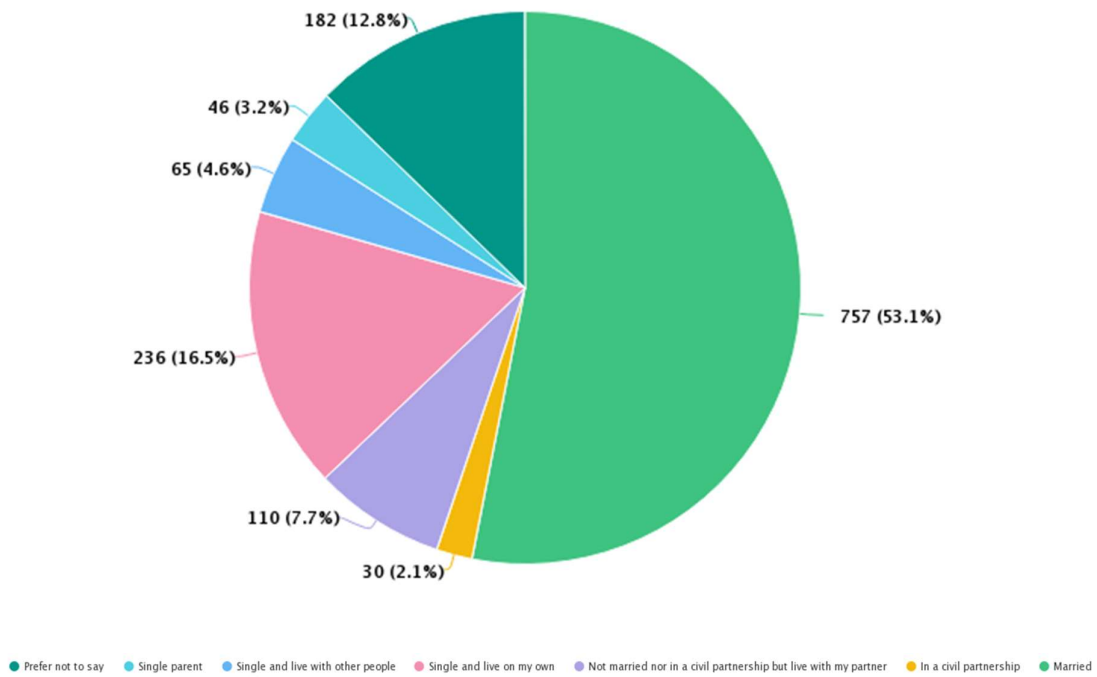
Gender – Is the gender you identified with the same as your sex registered at birth?



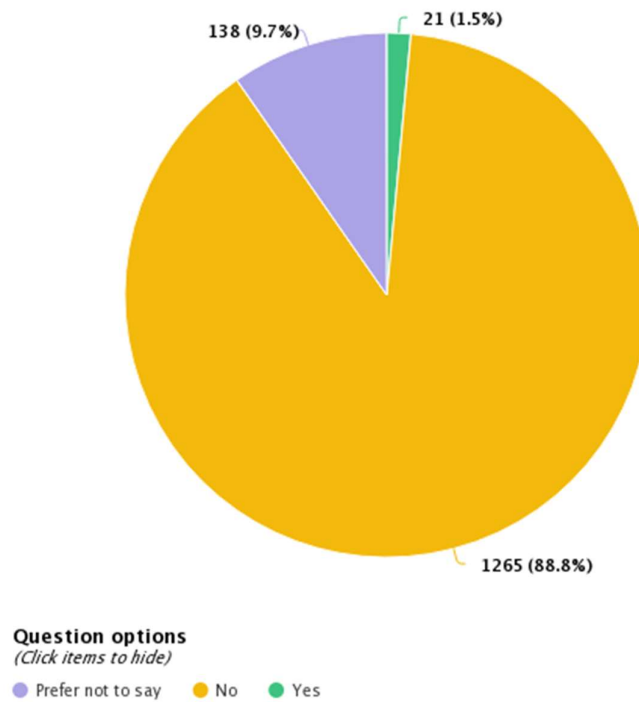
Question options
(Click items to hide)

- No - please tell us your gender identity
- Yes

Legal status – What is your legal marital or registered partnership status?



Pregnancy – Are you or your partner pregnant?



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Financial Risks

Adult Social Care & Health

Service Area	Short description of risk	Risk			Potential Mitigation
		2023/24 £000s	2024/25 £000s	2025/26 £000s	
All Care	<p>Market sustainability and Fair Cost of Care (FCoC).</p> <p>The government has recognised that the state of the care market is due, in part, to the rates paid by local authorities (LA). They have introduced reforms which are designed to bring current LA rates paid to a fair cost over a 3 year period. This is also in line with the authorities duties under the Care Act 2014. A nationwide exercise started in 2022 with the results being made public 01/02/23. This is likely to cause significant noise. Risk shown is the current best guess of the impact spread equally across 3 years, however its likely that this will increase in subsequent as the FCoC is based on 22/23 rates so is likely outdated before its fully met.</p> <p>If the grant funding is not available to the department either the likely grant conditions will not be met of the departmenrt will overspend.</p>	3,500	3,500	3,500	Use of Market Sustainability grant
All Care	<p>Hospital Discharge 1</p> <p>In late 2022 the ASC Discharge Grant was introduced to relieve pressures in the healthcare system. The grant was awarded to LAs and ICBs and was managed via the Better Care Fund S75 agreement. The grant has strict conditions and requires fortnightly activity reporting.</p> <p>This grant has been extended to 23/24, no further guidelines have been issued but it is highly likely to have the same or similar conditions.</p> <p>In addition the introduction of the FCoC will increase the costs of care for discharges.</p>	3,000-5,000	TBA	TBA	Use of the 2023/24 ASC Discharge grant and manage volume of patients being discharged.
All Care	<p>Hospital Discharge 2</p> <p>It was announced 9 January 23 that the Department of Health & Social Care (DHSC) are to spend £250m buying residential care beds. This has a number of potentially unfortunate consequences for LAs.</p> <p>This will likely increase the cost of residential care further, one providers have publicly stated that they consider this to be a high cost service.</p> <p>Part of the issue with discharge is the lack of therapy services available. Using these care home beds is not going change this situation and is highly likely to lead to care dependency for which the LA is liable to fund.</p> <p>There is no clarity around how these patients care will actively be managed. The worse case is that there are essentially "warehoused" which is inappropriate for the patient and potentially costly for the LA.</p> <p>As these plans have only just been announced and no guidance has been issued, the above is a best guess until we have further information</p>	TBA	TBA	TBA	https://www.gov.uk/government/news/up-to-250-million-to-speed-up-hospital-discharge
All Care	<p>Inflation</p> <p>Inflation has been budgeted for at up to 9%, however providers are currently approaching commissioners for increases of between 12 and 25%. These requests are outside the Fair Cost of Care exercise. In some instances the departmant may need to pay inflationary increases to ensure provider stability.</p>	0 - 1000			

Childrens and Young People

		Risk			Potential Mitigation
Service Area	Short description of risk	2023/24	2024/25	2025/26	
		£000s	£000s	£000s	
Children's Social Care Division	Underfunding of employee pension budget	1,198	1,198	1,198	Covered from in-year vacancies
Social Work with Children Looked After and Care Leavers	Increased children looked after numbers and/or clients existing/new young people in high-cost placements	1,200	1,200	1,200	Early intervention to mitigate the number of children becoming children looked after

Housing

		Risk			Potential Mitigation
Service Area	Short description of risk	2023/24	2024/25	2025/26	
		£000s	£000s	£000s	
Homelessness	Availability of private rental properties is low leading to high inflation and increased use of nightly paid accommodation	3,000	2,000		Budget for inflationary pressures Implement savings measures as planned including restructure; use of HRA stock; occupancy review etc. Use financial data to target most cost effective property as homelessness accommodation
Temporary and Emergency Accommodation	External pressures from other public bodies such as the increased need to provide services to asylum seekers housed in Croydon by the Home Office, large numbers of people being housed in Croydon by other London Boroughs and people housed in Croydon by the Probation service.	TBA			
Homelessness	Service disruption due to restructure of housing resource	1,000			Considered use of agency staff to cover gaps

Sustainable Communities Regeneration & Economic Recovery

		Risk			Potential Mitigation
Service Area	Short description of risk	2023/24	2024/25	2025/26	
		£000s	£000s	£000s	
Highways and Parking	Income Risk for Penalty Charge Notices (PCN) due to delays in Conduent Contract for Automatic Number Plate Recognition	TBA			
Highways and Parking and Strategic Transport	There is a risk given the current financial situation at TFL that anticipated funding for infrastructure projects may be delayed or rescinded which may result in additional capital borrowing needed by the council be that to cover loss of income or to complete projects.	TBA			
Development Control	Continued down turn in the number of planning applications impacting ability to achieve income budgets.	TBA			
Highways and Parking	Although there has been a rightsizing of the Parking Budget the current cost of living crisis, continued changes in the number of people working from home since the pandemic and other economic factors may affect the number of people using Parking in Croydon. This will affect both Pay & Display and PCN Income.	TBA			

All Areas	Given the current rate of inflation there is a risk that continuation of this economic factor may affect further contractual prices and create additional budgetary pressures. This is most likely in connection with fuel, energy and services with a large sub contracted workforce	TBA			
All Areas	Given the current cost of living crisis and inflationary pressures on both residents and businesses within the borough there is likely to be a knock affect on various income streams with the Services, as people and businesses tighten the purse strings or regrettably in some cases cease trading.	TBA			
All Areas	Given the current financial situation of the council and a highly competitive external market (cost wise) in direct competition with some of our services recruitment and retention issues are risk that needs to be taken into account which may affect some of the services we deliver	TBA			
Development Management Building Control and Licensing	There is currently consideration being given or already in place regarding statutory requirements and statutory legislation in these areas which are likely to be realised in the next financial year. There is a risk that changes may affect income or costs for these services.	TBA			
Public Realm	A new statutory duty on public bodies and large organisations to physically protect public spaces ("Martyn's law) is due to be published in Spring 2023. This is expected to place several statutory duties on the council, which will not be funded from central government. Measures could range from Hostile Vehicle Mitigation to organisational policy, CCTV, recruitment and other changes. Where existing sites are owned by the council the cost of retrofitting measures are potentially significant.	TBA			Work will be undertaken with counter-terrorism police to identify potential sites although until the draft bill is released it is not possible to fully determine the criteria for vulnerable locations (which will directly affect the quanta of financial risk). A Protect Board will oversee this work across departments and the partnership, and co-ordinate activity. This will also ensure that any changes to planning policy and regulatory policy can be embedded in practice to mitigate future costs

Assistant Chief Executives and Resources

Service Area	Short description of risk	Risk			Potential Mitigation
		2023/24 £000s	2024/25 £000s	2025/26 £000s	
Resources- Investment & Assets	Disposal programme of assets will lead to reduction of income in revenue	TBA			Take account of any income loss within any decision to dispose of assets. Adjust the MTFS accordingly.
Elections	National changes occurring	TBA			Offset against any additional government funding for new burdens
Elections - Local	Reserve for local election	TBA			Review the future contributions to the reserve to spread any forecast cost increase.

CORPORATE

Service Area	Short description of risk	Risk			Potential Mitigation
		2023/24 £000s	2024/25 £000s	2025/26 £000s	
Council Wide	Upturn in inflation - pay award and contract inflation 1% higher than currently modelled	6,000			Review and management of contracts. Potential offset against the cost of living contingency.
Council Wide	1% increase in borrowing costs (due to interest rate rises)	1,880			Review in-year Treasury Management Strategy
Business Rates	Reduction in income due to business closure/lower economic activity	0	8,600	0	The impact will be in future years. The risk shown would reduce rates income to the minimum level (safety net threshold) guaranteed by the government.

Total Risks Quantified (mid-point taken when a range identified)	22,278	16,498	5,898
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Agenda Item 9

LONDON BOROUGH OF CROYDON

REPORT:	CABINET	
DATE OF DECISION	22 nd February 2023	
REPORT TITLE:	Review of Council Tax Support Scheme – 2023/24	
CORPORATE DIRECTOR / DIRECTOR:	Jane West – Corporate Director of Resources and Section 151 Officer	
LEAD OFFICER:	Catherine Black – Head of Payments, Revenue and Benefits	
LEAD MEMBER:	Councillor Jason Cummings Cabinet Member for Finance	
KEY DECISION? [Insert Ref. Number if a Key Decision] <i>Guidance: A Key Decision reference number will be allocated upon submission of a forward plan entry to Democratic Services.</i>	No	
CONTAINS EXEMPT INFORMATION? <i>(* See guidance)</i>	NO	
WARDS AFFECTED:	All	These changes affect all wards but the impact is not significant in terms of overall numbers effected.

1 SUMMARY OF REPORT

- 1.1 Proposals to change the existing Council Tax Support Scheme (CTS) were considered by full Council on 1st February 2023 and the proposals were rejected. The reasons for not approving the proposals were due to the concerns around the cost-of-living crisis

and that at the time it was believed that increasing the income bands by CPI would result in increased support for residents. There were also questions raised about re-introducing non-dependant deductions for disabled not working claimants.

- 1.2 The Department for Levelling Up, Housing and Communities (DLUHC) publishing the Local Government Settlement, setting out the funding that the Government will provide to all councils for the next financial year 2023/24, as part of that settlement announcement, DLUHC set the level of increase in council tax. For most councils in the country the cap is a 5% increase to council tax bills. However the Government has given Croydon permission to increase council tax above the 5% cap, to a maximum of 15% cap.
- 1.3 Part of the CTS scheme proposals that were rejected included increasing CTS scheme income bands in line with the Council Tax increase.
- 1.4 In light of the recent developments, the Executive Mayor is asking Council to re-consider proposals to change the existing CTS scheme.
- 1.5 The purpose of this report is to seek approval to make changes to Croydon's Council Tax Reduction (Support) Scheme (CTS) which will take effect from 1st April 2023.
- 1.6 The Executive Mayor in Cabinet received a report in October 2022 which outline the principles of the proposed changes to the CTS scheme which were agreed, and that statutory consultation on the suggested scheme with residents and preceptors should take place.
- 1.7 The consultation ran between 14th October 2021 and 1st December 2021, and having now considered those responses, recommendations are now being made for approval to make changes to the existing CTS scheme with effect from 1st April 2023 and refines the proposal considering the consultation responses.

2 RECOMMENDATIONS

For the reasons set out in the report and its appendices, it is proposed that the Executive Mayor in Cabinet recommends to Council the following changes to the Council Tax Support Scheme:

- 2.1.1 Remove the application of the minimum income floor to households where the claimant or partner are disabled
- 2.1.2 Change the rate at which the income bands are increased annually from the level of CPI 10.1% to the amount Council Tax is increased for that year which could be up to 15% cap.
- 2.1.3 Introduce non-dependent deductions (NDD) to disabled not working households, except where the non-dependent is in receipt of

Employment Support Allowance or Limited Capability to Work, or in receipt of carers allowance for the claimant or partner.

- 2.2 to agree The Councils Council Tax Support Scheme is amended as set out above, from 1 April 2023

3 REASONS FOR RECOMMENDATIONS

- 3.1 In accordance with the Local Government Finance Act 1992, as amended, the Council was required to agree a local Council Tax Support scheme for working age residents who were on no or low income. The scheme replaced the Council Tax Benefit scheme which was administered by Local Authorities on behalf of the Department for Work and Pension.
- 3.2 The local scheme originally introduced on 1st April 2013, was reviewed last year, and changed to an income banded scheme from 1st April 2022. The scheme should be reviewed each year to ensure that it is an effective local Council Tax Support scheme, which will provide continued support to Croydon's most vulnerable residents and residents who are most in need of support.

4 BACKGROUND AND DETAILS

- 4.1 CTS scheme was introduced by Central Government in April 2013 as a replacement for the Council Tax Benefit scheme, administered on behalf of the Department for Work and Pensions (DWP). As part of the introduction the Government:
- 4.1.1 Placed the duty to create a local scheme for Working Age claimants with local authorities
 - 4.1.2 Reduced initial funding by the equivalent of 10% from the level paid through benefit subsidy to Local Authorities under the previous Council Tax Benefit scheme
 - 4.1.3 Prescribed that person of Pension Age would be dealt with under the existing regulations set by Central Government and not the Local Authorities local scheme
- 4.2 Since that time, funding for the CTS scheme has been absorbed into other Central Government grants paid to Local Authorities and within the Business Rates Retention regime. It is now generally accepted that it is not possible to identify the amount of funding actually provided from Central Government sources for the CTS scheme but that in real terms funding to the council has continued to reduce since 2013
- 4.3 The current CTS scheme created by the Council is divided into two schemes, with pension age claimants receiving support under the rules prescribed by Central Government, and the scheme for working age claimants being determined solely by the local authority (subject to certain criteria).

- 4.4 Pensioners, subject to their income, can receive up to 100% support towards their Council Tax. The Council has no powers to change the level of support provided to pensioners and therefore any changes to the level of CTS can only be made to working age scheme.
- 4.5 The working age CTS scheme was changed significantly from April 2022 and moved to an income banded scheme. The complexities of the old scheme, which was based mainly on the old council tax benefit rules, were removed and a simpler scheme was introduced
- 4.6 The principles of the existing CTS scheme (as locally adopted) for working age claimants are as follows:
- 4.6.1 Council Tax Support should be paid to those with minimal savings – residents who have Capital of more than £8,000 cannot claim (excluding Pensioners or disabled not working whose limit is £16,000)
 - 4.6.2 Council Tax Support should be property related – Residents can only receive Council Tax Support to a maximum of band D.
 - 4.6.3 Everyone should pay something - all residents will be asked to contribute something towards Council Tax unless they are in one of the protected groups i.e., pensioner or disabled not working.
 - 4.6.4 Everyone in the household should pay something – Other adults living in a household who are not the main taxpayer, or their partner will contribute to meeting the cost of Council Tax for the property
 - 4.6.5 Make Work pay – £50 income disregard for disabled working residents.
 - 4.6.6 Protecting the vulnerable – Residents who are working age residents who receive Disability Living Allowance, Personal Independence Payments or Employment and Support Allowance and not working receive 100% council tax support.

4.7 Details of the current scheme:

Resident Type	Pensioners	Disabled Not Working	Disabled Working	Income Band (All other residents)
Number of Residents in Scheme	7,917	7,378	757	10,465
Amount of Capital Before Nil Entitled	No Changes to this group of Residents	£16,000	£8,000	£8,000
Council Tax Band Cap		No Band Cap	Council Tax Band: D	

Incomes received by residents not counted for the purposes of an income band / Disregarded		100% of Child Care Costs 100% of Child Maintenance 100% of Universal Credit Housing Element 50% of Carer's Allowance 100% Personal independence payments/Disability living allowance 100% child benefit		
Earned Income not counted for the purposes of an income band / Disregard		N/A	£50 per week	Nil
Non-Dependant Deductions		No non-dep deductions	£5 per week non-working £10 up to £23,999 £30 for £24,000 over	
Self-Employed Min. Income Floor		£186.41 per week for Lone Parents £297.93 per week for single claimants and couples		

Amount of capital before nil entitled: The amount of capital claimants can have before they are not entitled to claim CTS. This is set to £16,000 for claims where the claimant or partner are disabled and not working, and £8,000 for every other working age claim.

Council Tax Band Cap: For all working age claims, excluding those for disabled not working groups, the amount of council tax liability used to calculate the maximum CTS award is capped to a band D.

Incomes not counted for purposes of the income bands: These are a list of incomes that are fully ignored when calculating the income of claimants to work out how much CTS they should be awarded.

Earned income not counted for the purpose of the income bands: This is the amount of earnings we will ignore when calculating the income of claimants to work out how much CTS they should be awarded. For those classified as disabled working, we ignore the first £50 of earned income. For all other working age claims we include all of the earnings.

Non-dependant deductions: An amount deducted from the claimants CTS entitlement based on the income of any other adult living in the property, other than a partner. Deductions are taken for all working age claims other than those classed as disabled not working.

Self-employed minimum income floor: When a claimant has been self-employed for longer than a year and they declare lower than expected income, an assumed income is applied to CTS calculation for that self-employed resident.

4.8 The income bands used currently

Weekly income	Percentage of Council Tax Liability covered by CTS		
	Disabled non-working	Lone parents with a child under 5	All other claimants
£0 to 100.99	100%	80%	75%
£101 to 150.99	100%	70%	60%
£151 to 200.99	100%	60%	40%
£201 to 250.99	100%	50%	30%
£251 to 300.99	100%	40%	20%
£301 to 350.99	100%	30%	15%
£351 to 400.99	100%	20%	10%
£401+	100%	0%	0%

4.9 Since the introduction of the change to an income banded scheme in April 2022, there have been some elements of the scheme that have been highlighted as needing review to make the scheme fairer to some of the vulnerable groups of residents. i.e., removing the application of the minimum income floor to self-employed disabled working residents.

4.10 There is also a decision to be made regarding the level at which the income bands are increased each year. The unprecedented monthly increase in CPI means that the part of the scheme which links the increase in income bands to the level of CPI as of September needs to be reviewed.

4.11 Given the original intention that everyone in the household should contribute to the cost of Council tax there is an option to introduce non-dependant deduction to disabled not working households, excluding those non dependants who are in receipt of carers allowance.

4.12 The executive Mayor in Cabinet is asked to agree the following principles for the changes to the existing scheme: -

4.12.1 Remove the application of the minimum income floor to households where the claimant or partner are disabled

4.12.2 Change the rate at which the income bands are increased annually from the level of CPI 10.1% to the amount Council Tax is increased for that year which could be up to 15% cap.

4.12.3 Introduce non-dependent deductions (NDD) to disabled not working households, except where the non-dependent is in receipt of Employment Support Allowance or Limited Capability to Work, or in receipt of carers allowance for the claimant or partner.

4.13 **Removal of minimum income floor** – This will positively affect households that have been classified as disabled working, and where the claimant or partner are self-employed, and their income isn't disregarded already under permitted earnings. This change is proposed to acknowledge that where the person who is disabled is self-employed, or their partner, there may be reasons as to why they are unable to increase their hours or income, and as a result we should not use assumed income that may be unachievable in their circumstances.

4.13.1 An example of how this would affect a claim: Claimant is self-employed as a hairdresser and their income is £80 per week after expenses. If we applied the minimum income floor, we would use assumed income of £297.93 per week. If they had no other income the level of CTS they would get in each circumstance is very different. They would be awarded 20% of their CTS if we used the assumed income figure, but 75% if we used the £80 actual income.

4.14 **CPI change** – This change will affect all claimants equally. The proposal is to increase the income bands used within the scheme by the same percentage that we increase Council Tax. This won't be a set percentage but rather the scheme will state that the income bands will increase by how much London Borough of Croydon increases council tax each year. We will then not need to consult on this each year. As per the Local Government Settlement agreement made on 6th February 2023 confirmed Council Tax could increase by up to 15% cap without a referendum.

4.15 The current scheme states that the 50% band which is at £201.00 as of the 1st April 2022 will increase based on the Consumer Price Index as September (10.1%) of the preceding year. The bands must then continue to move at £50 intervals. The bandings at 10.1% would be as follows:

Weekly income	Percentage of Council Tax Liability covered by CTS		
	Pensioners and disabled non-working	Lone parents with a child under 5	All other claimants
£0 to £120.99	100%	80%	75%
£121 to £170.99	100%	70%	60%
£171 to £220.99	100%	60%	40%
£221 to £270.99	100%	50%	30%
£271 to £320.99	100%	40%	20%
£321 to £370.99	100%	30%	15%
£371 to £420.99	100%	20%	10%
£421+	100%	0%	0%

4.16 The proposal is to change the scheme to increase the income bands by the percentage by which Council Tax is increased, this could be up to 15% cap as per the Local Government Settlement on 6th February 2023. If the scheme was changed in the income bands would be increased to the following amounts:

Weekly income	Percentage of Council Tax Liability covered by CTS		
	Pensioners and disabled non-working	Lone parents with a child under 5	All other claimants
£0 to £130.99	100%	80%	75%
£131 to £180.99	100%	70%	60%
£181 to £230.99	100%	60%	40%
£231 to £280.99	100%	50%	30%
£281 to £330.99	100%	40%	20%
£331 to £380.99	100%	30%	15%
£381 to £430.99	100%	20%	10%
£431+	100%	0%	0%

:

4.17 Non-dependent deductions - One of the principles of the CTS scheme is that everyone in the household should pay towards council tax. Non-dependents are other adults that live in the property, excluding any partners. In all other groups within the scheme a deduction is taken from the level of CTS entitlement based on the non-dependent's income. To implement the 'everyone in the household should pay' principle across all residents we are proposing to introduce non-dependent deductions to disabled not working claims. The rate of the weekly deductions are £5 if the non-dependent is not working, £10 if earning up to £23,999 and £30 if earning £24,000 or over. There are currently 2115 claims within the disabled not working scheme that have non-dependants living with them. Once we remove those claims where the claimant or partner are in receipt of Personal Independence Payments daily living rate, Disability living allowance Care, or Attendance Allowance there are 440 claims remaining which could be affected by this change.

4.18 An example of how the proposed change will affect entitlement for disabled not working claims is as follows, based on income of £260 per week, a Band C property with liability of £33.60 per week and a non-dependent in the property who is not working:

Disabled not working claims: For disabled not working claims no matter how much their weekly income is and what income band they fall in too they will get 100% of their council tax liability covered via CTS. So, they will be awarded £33.60 per week. Under the proposed changes a deduction of £5 would be taken off this award for the other adult in the property, reducing the CTS award to £28.60

Disabled working claims: For disabled working claims the total income for the claimant and their partner is added up and using the income bands the percentage of CTS award can be calculated. There is a £50 disregard for disabled working claims, meaning we would use a weekly income of £210. A weekly income of £210 would mean they fall in to the 30% CTS award income band. 30% of their weekly council tax liability of £33.60 would be £10.08.

Income banded claims: For income banded claims there are no income disregards meaning we would use the full £260 as weekly income for the claim. Weekly income of £260 equates to an award of CTS of 20% based on the income bands. 20% of £33.60 would be an award of £6.72

	Current CTS entitlement	Entitlement after proposed changes
Disabled not working	£33.60	£28.60
Disabled working	£10.08	no change
Income band	£6.72	no change

4.19 Neighbouring authorities Merton, Sutton and Bromley all take non-dependent deductions within their CTS schemes.

4.20 The proposed changes are still designed to protect the most vulnerable residents including disabled residents not able to work.

4.21 Any income disregarded (i.e., not counted) under the current scheme will continue to be disregarded under the new scheme, e.g., Disability benefits such as Disability Living Allowance and Personal Independence Payments. Any disregards on war pensions and war disablement pensions will continue.

4.22 A hardship scheme consisting of a total £650k was already agreed for 2023/24 as part of the move to an income banded scheme in 2022/23. This amount has been ring-fenced and does not affect the levels of savings proposed for 2023/24 based on the options above. The hardship scheme will continue to be administered by the Benefits team who are best placed to understand household circumstances and resident's ability to pay Council Tax

5 ALTERNATIVE OPTIONS CONSIDERED

5.1 Consideration has been given to changing the non-dependent deductions from set amounts to a percentage of council tax liability. In practice the way the processing system is set up means that it is unable to tie the deductions directly to the liability amount and having a set figure means we can update the amount once a year and all claims will be updated. Changing the deductions to a percentage of council tax would mean that a non-dependent in a band A property would be paying much less than a non-dependent in a band D property, even if they had the same level of income which would make the scheme complex and unfair. The deduction should be based on the income of the non-dependent and not the property situation.

5.2 Disabled not working claim if non-dependent deductions were introduced as a percentage of council tax liability (assumed a 20% deduction):

Band A property

Non-dependent income £15,000 – deduction set at 20% of weekly liability

Deduction would be 20% of £25.21 = £5.04

Band D property

Non-dependent income £15,000 – deduction set at 20% of weekly liability

Deduction would be 20% of £37.80 = £7.56

This methodology is therefore not recommended.

Instead we are proposing to add to the scheme that the level of the cash deduction is increased annually by the same percentage that the non-dependent deductions are increased for Housing Benefit. The increased figure would be updated in the system in one place and all the claims would be updated. All figures are reviewed annually and this will form part of that process.

5.3 The option of doing nothing is one that has been rejected as elements of the scheme such as the application of the minimum income floor need to be amended so that groups of residents are not adversely affected.

6. CONSULTATION

6.1 It is important that residents and other partner's views are taken into account and reflected in the final design of any changes to the CTS scheme. A full and comprehensive consultation allowed us to seek feedback and explore options and to further mitigate any negative impacts of the changes to the income banded CTS scheme.

6.2 The statutory consultation ran between 14th October 2022 and 1st December 2022. A full copy of the response to the consultation can be found in Appendix 1

6.3 Section 13A of the Local Government Act 1992 requires the Council as the billing authority to make a localised Council Tax Support scheme in accordance with section 1A of the Act. Each financial year the council must consider whether it wants to revise the scheme, leave as is or replace it. Consultation must occur on any option required to change the scheme prior to introduction, and is set out in Schedule 1A (3) of the Local Government Finance Act 1992:

- Consult any major precepting authority which has power to issue a precept to it;
- Publish a draft scheme in such a manner as it thinks fit; and
- Consult such other persons as it considers are likely to have an interest in the operation of the scheme

6.4 When consulting the following guiding principles for a fair consultation must have been adhered to

- At a time when the proposal are at a formative stage;
- Include sufficient reasons to enable those consulted to give consideration and respond;
- Awareness of the factors which are of decisive relevance to the decision;
- Adequate time for consideration and response; and
- The result of the consultation should be conscientiously considered by the decision makers when the decision is made.

6.5 Consultation took place with the following:

- Major Precepting Authorities – a formal request has been made for comments on the proposed scheme. This was done through writing to the GLA. They have acknowledged the receipt of the notification to proceed to consultation, and to date we have received no further formal feedback on the proposed changes.
- Public – an open invitation has been given to all residents of Croydon to comment on the proposed new scheme, irrespective of whether they are in receipt of Council Tax Support or not. We have contacted CTS recipients both working age and pension age residents, and we have encouraged them to respond, although it should be noted that the scheme for pension age claimants is prescribed by Central Government. The Council can only change the working age Council Tax Support scheme; and
- An online survey was made available via the Council's website, and a new web page was developed, we also had a comprehensive communications plan to ensure as much feedback as possible.

The link to the webpages and consultation is [here](#)

6.6 The consultation has been publicised using our social media accounts as well as being publicised in community newsletters.

6.7 Residents in receipt of Council Tax Support were contacted to advise them about the proposed changes to the Council Tax Support scheme.

6.8 Other partners contacted to promote the consultation:

Age UK Lead – Disability Croydon & Croydon Vision;

- o Citizens Advice Bureau (CAB);
- o MIND;
- o Purley Cross Community Information Centre;
- o Royal Association for Deaf (RAD) People; and
- o John Whitgift Foundation / Carers Information Service
- o Asian Resource Centre
- o South West London Law Centre
- o Money Advice Service

6.9A partner's engagement session was held face to face in the Town Hall on Tuesday 8th November 2022, further details of the outcome of this meeting can be found further down this report in point 8.0.

6.10 Approval to commence consultation by officers was agreed by Cabinet in October 2022, to enable adequate consideration of proposals resulting from the consultation by December 2022, being the year prior to the scheme being implemented.

6.11 In addition to formal consultation, the Council will provide information on its website as to the proposed changes.

6.12 The Council will contact any Council Tax payers affected by these changes.

6.13 RESPONSES TO CONSULTATION

The consultation period resulted in 144 responses to the proposed changes. When Croydon Council consulted in 2021 on changing the scheme to an income banded scheme, 594 responses were received. It should be noted that the scale of the change being proposed during the previous consultation was much larger than the changes being proposed this time

6.14 Percentage of respondents currently in receipt of Council Tax Support

69% of respondents are currently in receipt of Council Tax Support, we can be confident that those who completed the survey will potentially be affected by any proposed

changes. 31% of responders were not in receipt of Council Tax Support, which indicates a certain level of engagement from those who do not rely upon financial support to pay their Council Tax.

6.15 Removing the Minimum income floor for disabled self-employed residents.

When asked during the consultation if they agree or disagree with removing the minimum income floor for self-employed disabled claims 54% of people said they strongly or somewhat agreed. 26% of people said they strongly or somewhat disagreed with removing the minimum income floor, and 19% said they neither agreed nor disagreed with the proposal.

6.16 Comments:

Comments supporting the proposal

- It would be more fair to disabled, self-employed residents who cannot increase their income
- It seems fair to base support on actual income rather than 'supposed' income. I don't think it will affect me as I'm not disabled and my benefit is based on me being on Universal Credit at present; but it's good to know you might help the most disadvantaged with realistic assessments.
- This will assist Disabled Self Employed resident's especially with the Cost of Living Crisis

Comments in opposition to the proposal

- Disabled people are more than capable of working more than 35 hours per week.
- It's unfair for the employed
- I prefer keeping the old system. The new proposals will create many issues

6.17 Proposal to change the rate the income bands are increased annually

When asked how strongly they agree or disagree with the proposal to change the income bands by the same rate as council tax, rather than by the level of consumer price index 42.5% of the respondents either strongly or somewhat agreed with the proposal. 36.9% either strongly or somewhat disagreed and 20.6% neither agreed, nor

disagreed. It should be noted that the example figures used as part of the consultation were 9.4% for CPI and 3% for Council Tax.

6.18 Comments:

Comments supporting the proposals

- This seems reasonable, given that the council needs to cut costs. But it would be fairer to increase it by the same percentage that council tax increases.
- Yes, I think this is reasonable. The world financial crisis is not the fault of the Council and even though your change may mean less benefit, I appreciate you have limited budgets too and it seems fair to make the benefit proportional to the actual council tax. It's hard to know at this point how it will affect me. It seems I'll get less benefit but it seems fair
- would make life easier

Comments in opposition to the proposal

- It is only normal to increase the council tax to match cpi
- Especially during the current climate, we need any support we can get, so by removing support only makes matters more stressful
- CPI is a better reflection of overall increase in life.

6.19 Proposal to introduce deductions for other adults in the household for disabled not working claims

When asked how strongly they agreed or disagree with the proposal to apply a deduction to the amount of CTS provided to households of disabled residents where there are other adults 40.9% strongly or somewhat agree with the proposal. 40.1% strongly or somewhat disagree with the proposal and 19% neither agree nor disagree.

6.20 It is worth noting that deductions have been taken in this scenario when council tax benefit was in payment prior to 2013, and in Council Tax Support from 2013 to 2021.

6.21 Comments:

Comments supporting the proposals

- *If adults are earning money they should all be responsible for the amount that is paid*

as a family

- *We should all pay something. We get the service, at times not great*
- *any other household income should be taken into account*

Comments opposed to the proposals

- *What if the other adults don't work or can't work very unfair.*
- *Young people may choose to move out leaving the disabled person facing lack of support and financial pressure*

6.22 **Demographic responses**

6.23 Age

Out of the 144 respondents, 142 answered the questions regarding to the age of the respondent. 1.4% were between 18-25, 35.9% were between the ages of 26-45, 26.1% were between the ages of 46-55. 23.2% were aged 56-65, and 9.9% were aged 66 or over 3.5% preferred not to declare their age. As the changes to the scheme affect residents of working age, the proportion of responses reflects those who would be affected by any changes.

6.24 The largest group of respondents were aged between 26-45, the council tax support caseload indicates that 34% of those who claim are between the age of 26-46 and this the biggest group. This indicates that response to the consultation closely mirrors those who would be affected.

6.25 **Gender**

141 residents answered the question regarding gender, of which 63.8% confirmed they identified as being female, 26.2% identified as being male, 0.7% confirmed they identified as being non-binary, 9.2% preferred not to say what they identified their gender to be.

6.26 Data on gender identity is not routinely captured. A person's innate sense of their own gender, whether male, female or something else may or may not correspond to the sex assigned at birth.

6.27 **Disability**

140 respondents confirmed whether or not they considered themselves having a disability. 41.4% considered themselves having a disability, 44.3% answered no and 14.3% preferred not to say.

6.28 84 of the above went on to declare the disability that was identified.

- 8.3% were visually impaired;
- 7.1% declared a hearing impairment;
- 44% identified having a mobility disability;
- 7.1% declared a learning disability;
- 2.4% had communication difficulty;
- 22.6% had a hidden disability; and
- 32.1% preferred not to say
- 13.1% stated they identified as having another disability

6.29 Within the current caseload 31% of claimants are within a disabled scheme, this indicates that either the claimant or their partner are disabled. As 41.4% of respondents identified as having a disability the response to the consultation reflects those that may be effected by the changes

6.30 **Formal Consultation Responses**

Following engagement with our external partner's we received official responses, details of which can be seen below

6.31 **Greater London Authority – GLA**

To date we have received no formal response from the GLA to our consultation.

6.32 **Partner engagement session**

6.33 The session was attended by representatives from MIND, South West London Law Centre and The Carer's information service.

6.34 There were concerns raised regarding the introduction of non-dependant deductions for disabled non-working households as there was a concern that the non-dependant could be the carer for the disabled claimant or partner. And taking a deduction for them would be penalising them for having caring responsibilities. There is the option to exclude non dependant carers from the introduction of the non-dependant deductions.

6.35 It was asked what the rationale was behind no non-dependant deductions being taken on disabled not working claims from April 2022, when they had been taken prior to that. It is understood that the thinking behind the decision was to 100% protect disabled residents who were unable to work.

6.36 A further comment was regarding situations where the non-dependant is the person within the household who is disabled, and it is the claimant or partner who is self-employed. A suggestion was made that where it is the non-dependant that is disabled rather than the claimant or partner that the minimum income floor should also be removed. In this scenario the CTS scheme would be classified as a standard income banded claim, and not disabled and therefore it would not be possible to isolate these claims to consider not applying the minimum income floor.

6.37 **OUTCOME FROM THE CONSULTATION**

The consultation period ended at midnight on 1st December 2022. The outcome has shown that in all cases, excluding the respondents who neither agreed nor disagreed, the majority of people agreed with the proposed changes, although in some cases more strongly than others

6.38 With respect to the proposed change to remove the minimum income floor over half of the respondents agreed with this proposal, mainly sighting that they felt it was the right thing to do in respect of disabled claimants.

6.39 The majority of respondents said they agreed with the proposal to increase the income bands by the same rate as council tax rather than by CPI with the main theme of those in agreement being that it is understandable for the CTS level to match that of the council tax increase.

6.40 Although the majority of respondents were in favour of introducing deductions for other adults in disabled not working claims, it was only by a margin of 0.8% with 19% of people advising they neither agreed nor disagreed with the proposal. The main theme in the comments from those who supported the change was that they felt it was right for everyone in the household to contribute

6.41 **REVIEW OF CONSULTATION RESPONSES AND RECOMMENDED CHANGES TO PROPOSED CTS SCHEME**

Following feedback from the consultation, there has been a change made to the changes being recommended. To exclude the introduction of non-dependant deductions where the non-dependant is in receipt of carers allowance for the claimant or partner.

7. CONTRIBUTION TO COUNCIL PRIORITIES

- 7.1 The recommended changes will contribute to the Council priorities detailed in the Executive Mayors business plan. It will help the council balance its books, specifically supporting the priority of getting a grip on the finances and making the council financially sustainable.
- 7.2 By providing additional savings it will contribute to achieving a balanced budget and by changing the rate at which the income bands are increased it will make the scheme more sustainable in the future by managing the increased costs of CTS.

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

- 8.1.1 The current CTS scheme costs £28.4m of which 80% or £22.72m is borne by the Council. The remaining 20% or £5.68m is attributed to the GLA.
- 8.1.2 The impact of a possible increase in council tax of up to 15% will increase CTS spend. Increasing the income bands in line with council tax could mean an additional £684k in expenditure to the council through increased benefit payments if the banding rise by 15%. Removing the minimum income floor will result in further increased expenditure of £15k. Introducing non dependant deductions alongside increasing the income bands by 15% would decrease the expenditure to the council by £493k.
- 8.1.3 If these proposals are not agreed and we do not change the current scheme, the council tax income bandings will increase by 10.1%, which is the level of CPI as at September 2022, and assuming council tax is increased by 15%, the increase in cost to the Council is £222k compared to the proposed scheme.
- 8.1.4 As we are asking some residents to pay more towards their Council Tax there is a risk that they may struggle to make the requested payments. To mitigate this risk, the Council will implement a hardship scheme to support those most in need or unable to pay their Council Tax. This will provide transitional support to bridge the gap for residents who have seen a reduction in their Council Tax Support entitlement as the result of the changes. In addition to this the Council have close working partnerships with welfare agencies e.g., Citizens Advice Bureau and Money and Pension Service to further support residents in need.

Comments approved by Lesley Shields, The Head of Finance for Assistant Chief Executive and Resources on behalf of the Corporate Director of Resources. (17/01/2023)

9 LEGAL IMPLICATIONS

- 9.1 The Head of Litigation and Corporate Law and Deputy Monitoring Officer comments on behalf of the Director of Legal Services and Monitoring Officer that the Council is required, under the Local Government Finance Act 1992 ('the 1992 Act'), for each financial year, to consider whether to revise or replace its CTS scheme. The Council's substantive review, detailed in this report, complies with this requirement.
- 9.2 The 1992 Act provides that a billing authority's Council Tax Reduction Scheme must include prescribed matters set out in the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012. Therefore, the Council is required, without any exercise of discretion, to amend the CTS Scheme, to reflect any changes made to those regulations.
- 9.3 Under the 1992 Act, a decision to revise a billing authority's scheme is required to be made by the authority, not its executive. This is outlined at paragraph 2.6 of the report.
- 9.4 When a billing authority decides to revise or replace its scheme it is required to comply with the preparation requirements set out in Schedule 1A of the 1992 Act. This includes consulting any major precepting authority, publishing the draft scheme and consulting upon it. In addition, paragraph 2 of Schedule 1A and the 2012 Regulations specify matters which must be included in schemes, and make detailed provision as to the calculation of income and capital etc.
- 9.5 The authority must make any revisions to its scheme no later than 11 March in the financial year preceding that for which the revised scheme is to have effect. If any revision to a scheme has the effect of removing or reducing a reduction to which any class of persons is entitled, the revision must include such transitional provision relating to that reduction or removal as the authority thinks fit.

Insert at the end of the legal section: Comments approved by Sandra Herbert The Head of Litigation and Corporate Law on behalf of the Director of Legal Services and Monitoring Officer. (Date 12/01/2023)

10 EQUALITIES IMPLICATIONS

- 10.1 An equalities impact assessment has been completed based on the recommendations in this report and the outcome of the consultation.
- 10.2 The council needs to review its scheme whilst ensuring that groups more affected by the changes are provided with support.

10.3 The Council recognised that some people may be affected more than others. The groups listed below were identified by the Council to be affected by the proposed changes:

- Self-employed disabled residents
- Disabled non-working households with a non-dependent resident
- Residents aged between 26 -46 were more likely to be affected
- Residents aged over 66 were not affected by the proposals

10.4 The Council have provided a hardship fund for those affected by the changes in order to ease the transition between the old scheme and the new scheme.

10.5 Comments approved by Denise McCausland The Equalities Manager. (Date 10/01/2023)

OTHER IMPLICATIONS

11 No additional implications

12 APPENDICES

1. *Full consultation results*
2. *Draft council tax support scheme document*
3. *EQIA*

13BACKGROUND DOCUMENTS

13.1 None

14URGENCY

14.1To be presented at full council on 01 March 2023.

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Council tax support consultation

SURVEY RESPONSE REPORT

08 October 2021 - 01 December 2022

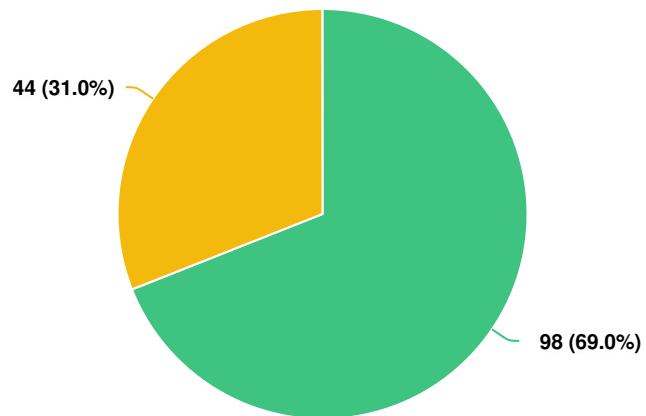
PROJECT NAME:

Have your say on proposed changes to our council tax support scheme



SURVEY QUESTIONS

Q1 Do you currently receive council tax support?

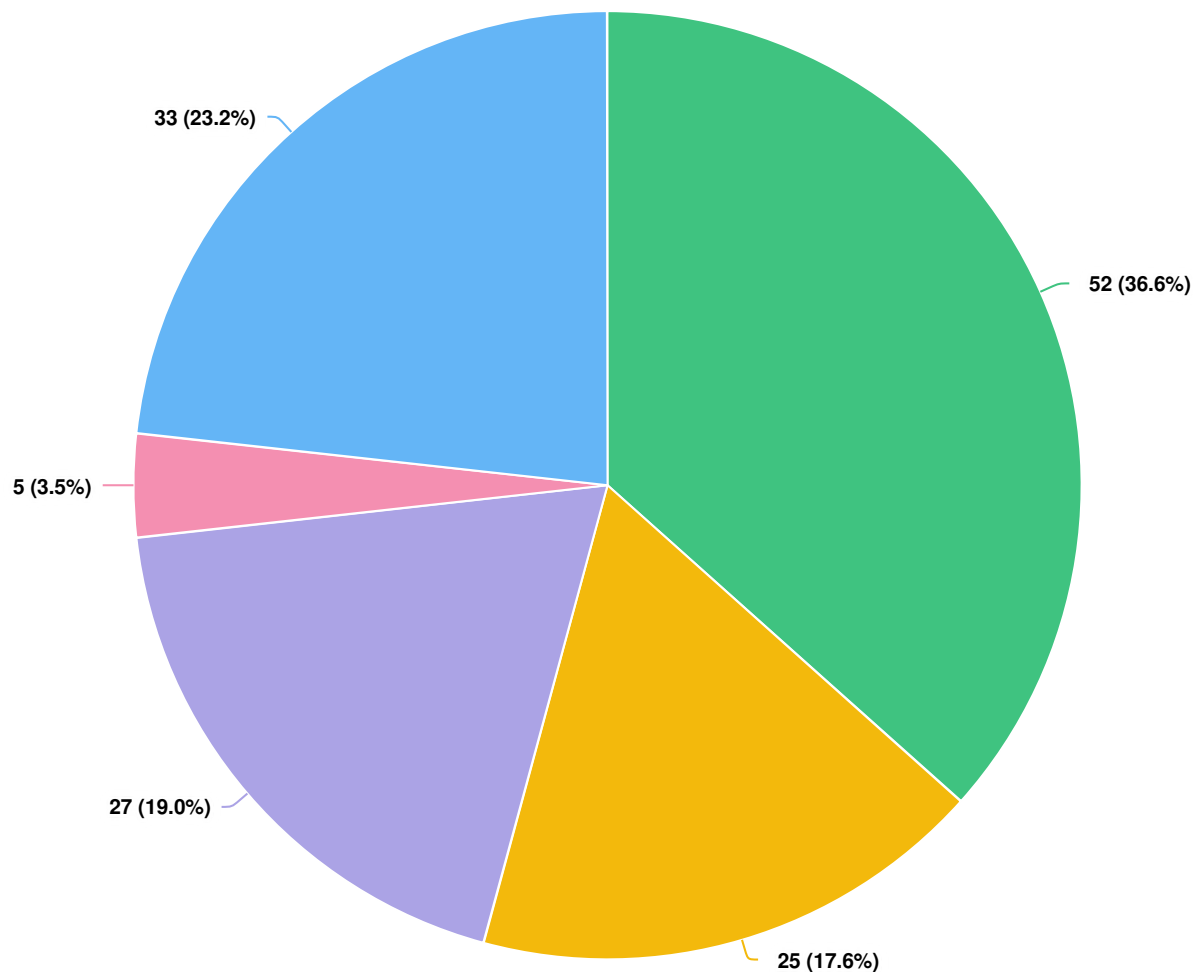


Question options

- Yes
- No

Optional question (142 response(s), 2 skipped)
Question type: Radio Button Question

Q2 How strongly do you agree or disagree with our proposal to remove the minimum income for disabled, self-employed residents?



Question options

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

Optional question (142 response(s), 2 skipped)
Question type: Radio Button Question

Q3 Please explain your answer including any impact you feel this change may have on you:

Anonymous

10/14/2022 07:31 PM

nothing to add

Anonymous

10/14/2022 08:38 PM

It would be more fair to disabled, self employed residents who cannot increase their income

Anonymous

10/18/2022 01:18 PM

having to look after a disabled person is dependant on the level of disability. this should also include the aged and more support for those charity venues that aare supporting the disabled and aged.

Anonymous

10/19/2022 03:54 PM

n/a

Anonymous

10/20/2022 03:37 PM

Taxing low-income disabled families is not the way to go, perhaps the more wealthy should pay more,

Anonymous

10/21/2022 05:47 PM

This will assist Disabled Self Employed resident's especially with the Cost of Living Crisis

Anonymous

10/21/2022 06:31 PM

This seems to help those that need it most. It will have no effect on me.

Anonymous

10/21/2022 06:48 PM

As usual those who work and contribute receive zero help!!!!

Anonymous

10/21/2022 06:55 PM

Na

Anonymous

10/21/2022 08:34 PM

Benefits should not be classed as income when disabled or are disabled related for example PIP is classed as income

Anonymous

10/21/2022 09:04 PM

People want to live there life happily and peacefully

Anonymous

I work., but sometimes I can't for months so my income falls short.

10/21/2022 10:15 PM

Anonymous

I am retired so this does not affect me

10/22/2022 05:09 AM

Anonymous

I think this is good as so often the poorest find it hard to make ends meet.

10/22/2022 12:18 PM

Anonymous

What is best for those who need CTS should be the defining what's best for the finances.

10/23/2022 12:08 PM

Anonymous

Disabled people are more than capable of working more than 35 hours per week.

10/23/2022 10:54 PM

Anonymous

if someone is receiving any income this should be taken into consideration

10/24/2022 09:40 AM

Anonymous

My partner is self employed, we have a disabled son, we receive dla and because our tax credits went up due to receiving dla, we lost most of our council tax support and have to pay almost all our council tax, when in fact my partners earning are much lower than the income floor that stand now but due to dla it takes it over the threshold. So because my son is disabled we have to pay triple the amount of council tax than what we were before.

10/24/2022 03:49 PM

Anonymous

pensioners mainly have fixed income. When the Council Tax goes up, their pension is affected ie becoming poorer. Who do we complain.

10/26/2022 11:29 AM

Anonymous

As you state may disabled CTS recipients are unable to earn or increase their income

10/26/2022 04:04 PM

Anonymous

Ia self employed and on a low incomey patnet csnnpt work

10/30/2022 03:03 PM

Anonymous

Increase council tax bill

10/31/2022 10:01 AM

Anonymous

We should do all we can to protect disabled Residents.

10/31/2022 04:00 PM

Anonymous
11/01/2022 07:36 AM
There is little impact on those living in a single income household who would not fulfil this criteria.

Anonymous
11/01/2022 06:06 PM
I think if there is anyone receive DLA council tax should be reduced

Anonymous
11/01/2022 06:07 PM
I struggle as of now with my income I receive

Anonymous
11/01/2022 06:12 PM
Why are the disabled paying council tax and parents that are on a low wage...

Anonymous
11/01/2022 06:12 PM
I'm severely disabled person. It would badly affect on my household incomes.

Anonymous
11/01/2022 06:16 PM
It's very hard for someone who is disabled or self employed it's hard enough to survive now let alone have to pay more for council tax.

Anonymous
11/01/2022 06:18 PM
For the people who don't have someone in there household who is disabled but earn a different income monthly, this does not help out.

Anonymous
11/01/2022 06:19 PM
I don't really understand the question if I being honest.

Anonymous
11/01/2022 06:27 PM
It seems fair to base support on actual income rather than 'supposed' income. I don't think it will affect me as I'm not disabled and my benefit is based on me being on Universal Credit at present; but it's good to know you might help the most disadvantaged with realistic assessments.

Anonymous
11/01/2022 06:26 PM
Especially during the current climate, we need any support we can get, so by removing support only makes matters more stressful

Anonymous
11/01/2022 06:27 PM
Because I didn't see much of the difference on my part.

Anonymous
11/01/2022 06:35 PM
Not sure how or whether this will affect me.

Anonymous
11/01/2022 06:41 PM
I only work 15hours per week because my disabilities do not allow me to work/earn more

Anonymous
11/01/2022 06:42 PM
I am unemployed but am looking to apply for a part time job. How will this affect me?

Anonymous
11/01/2022 06:58 PM
Not sure I it will affect me but disabled people like me spend more money on energy bills

Anonymous
11/01/2022 06:57 PM
I prefer keeping the old system. The new proposals will create many issues

Anonymous
11/01/2022 07:12 PM
This seems discriminatory.

Anonymous
11/01/2022 07:40 PM
I feel

Anonymous
11/01/2022 07:50 PM
Right now people are struggling to put food on the table and having facing a lot of difficulties to live.

Anonymous
11/01/2022 07:52 PM
Disability makes it hard to increase working hours

Anonymous
11/01/2022 07:53 PM
I would like to receive more support

Anonymous
11/01/2022 08:01 PM
When I work extra hours I don't qualify for CTS and it affect my income

Anonymous
11/01/2022 08:01 PM
Some disabilities mean they can not do a lot of hours or sometimes unpredictable when can work .so impossible to hit a certain amount of wage.

Anonymous
11/01/2022 08:35 PM
It's unfair for the employed

Anonymous
I'm a single claimant

11/01/2022 09:28 PM

Anonymous

we will struggle a lot

11/01/2022 09:58 PM

Anonymous

Unable to feed myself

11/01/2022 10:00 PM

Anonymous

In the middle of a cost of living crisis we are now expected to also accept cuts to support for the most vulnerable. There is already enormous pressure on my family and the last thing we need is to have to pay more out because of cuts in the amount of support we receive. Its just wrong and badly timed.

11/01/2022 10:01 PM

Anonymous

This does not affect me. I'm a single mom with 2 children in school and a victim of domestic violence. My bill has actually gone up. I can't afford it. Its a choice between buying food (also high) paying energy bills to stay warm (also high) so that we could live everyday. There is no provision for someone like me in this proposed change. Its already hard on parents as we have to work around school hours which excludes us from work that will get us off this benefit. No provision made for that. After school clubs costs, breakfast clubs costs.... there is no consideration of the family and children on this.

11/02/2022 05:29 AM

Anonymous

it will place more stress and strain on my finances as i would be concerned if i earn over will i be able to afford to pay my bills in full

11/02/2022 09:24 AM

Anonymous

I think it's fair to provide support based on income and household expenses.

11/02/2022 09:46 AM

Anonymous

I am paying three times the amount of council tax then before seriously struggling I can not work due to my physical and mental health so any further information and support would be beneficial to my health as stress triggers more pain.

11/02/2022 12:21 PM

Anonymous

Hello I am a single mother, I have two children to raise. My husband is alcoholick and live family not help. I try divorce. I work part-time because children's go school. I don't have Family in here and eny help. I must pay for home 1306.25£ Gas and electricity 300,water etc..I got Universal C.For me life is not easy I try pay bills but I don't have inaf moneys. Children's need eat and normal life but I olweys tell now so is so sad. My council tax is BE. I so expensive for me. Now

11/02/2022 01:37 PM

I'm so worry how to pay every month's 300£ Is no possible olweys I have chois I can pay but no give food for Children's. I trying do all good but is no easy. no chance to pay everything and deal with the rest of such a dear life as it is now. I think change house for no band E but because 2 children's I must take 2 bed flats etc.. but the prices of the apartments are so high that it would be the same. I am very afraid of not paying, but I have nothing to pay for so much expensiv bills. my request is for any help. Thank you and so Sorry Malgorzata Strzesak

Anonymous

11/02/2022 03:46 PM

It can be very difficult to earn £297.53 per week

Anonymous

11/02/2022 04:05 PM

it makes sense to use actual figures

Anonymous

11/02/2022 11:31 PM

Yes it will be fairer to remove the minimum wage as people with disabilities are more often than not on minimum wage and work less hours

Anonymous

11/03/2022 09:36 AM

The actual financial costs of managing and living with a Disability at this time are extremely difficult. The cost of living has increased exponentially. Removing the minimum income for disabled, self employed residents will just create further anger. Croydon Council seem to be hell bent on doing this anyway. This survey is just Bantha Fodder.

Anonymous

11/03/2022 02:32 PM

Single Disabled people like me need all the support we can get

Anonymous

11/03/2022 02:36 PM

I am not sure how it will work

Anonymous

11/03/2022 03:11 PM

would struggle

Anonymous

11/04/2022 08:15 PM

Because of this minimum income band we are struggling to pay our council tax as our weekly income is half then your minimum predictions

Anonymous

11/04/2022 10:47 PM

PRESENTLY ANY WAY TO BENEFIT COMMUNITY IS WELCOME.

Anonymous

11/04/2022 10:58 PM

You should not use an assumed income that may be unachievable in their circumstances.

Anonymous

11/05/2022 11:52 AM

Impact this then people on mid to low income. Unemployment should pay sometimes, because they get same Services like rest of us... people disability I can understand specially, some illness come on later on life.

Anonymous

11/05/2022 03:56 PM

Disable household cannot afford the council tax paying now how afford extra council tax ?????

Anonymous

11/07/2022 06:48 PM

Additional financial pressure on families

Anonymous

11/11/2022 12:06 AM

You shouldn't have to receive a minimum income to qualify

Anonymous

11/11/2022 06:53 AM

No money after paying out rent bill

Anonymous

11/11/2022 07:47 PM

If you are disabled you are vulnerable at which level of disability are you proposing- totally disagree. Self employment hopefully they won't swindle their books! Unclear msg the gov are sending just making life and COL worse due to their inability to govern their country- but are on a VERY high salary and don't obey their own rules during covid

Anonymous

11/11/2022 08:21 PM

Sometimes you can work others times you could be on long term sickness so your wage changes.

Anonymous

11/12/2022 02:45 AM

Based on accurate income gives an accurate account. I'm currently receiving a pension so the sums would be accurate to what I'm getting

Anonymous

11/12/2022 09:29 AM

I Don't understand it

Anonymous

11/14/2022 12:34 AM

I neither agree nor disagree it doesn't apply to me, my only concern is that unemployed people should not be paying council tax on a low income

Anonymous

11/14/2022 01:54 PM

This is an absolute insult when all services have been cut and now we don't even get our bins cleared regularly!!

Anonymous

11/15/2022 09:32 PM

Absolute unfair for disabled or self employed people.

Anonymous

11/18/2022 06:52 PM

I earn £ 266 per week and paying very high amount for council tax. Someone who earn for example £600 paying the same amount of money for the council tax. it is not fair.

Anonymous

11/19/2022 09:43 AM

People that cannot do more shouldn't loose out.

Anonymous

11/19/2022 10:34 AM

I do not know all the details so cannot make a comment, I was not aware that we may be able to get a rebate, I am not allowed / signed off work due to illness at present, my husband has a pension. So will be looking for more details.

Anonymous

11/20/2022 11:12 AM

Why would you cut support from people in the middle of a recession? Wrong policy at the wrong time.

Anonymous

11/20/2022 07:28 PM

This proposal does not affect me but it will have a detrimental effect on those who claim CTS.

Anonymous

11/21/2022 09:31 AM

This seems to be a fair system, it will not impact me.

Anonymous

11/22/2022 10:40 AM

I am disabled amd will not gef better. I xan not work and my partner is my carer. You will target disabled unfairly

Katie.Edland

11/23/2022 11:00 AM

This seems fair

Anonymous

11/25/2022 08:21 PM

If they can't work more hours it's unfair to assume that is their actual income when it could be less

Anonymous

i wonder if you have considered in your calculation methodology that

11/26/2022 07:07 AM

there are many older residents who refuse to ask the state for financial support, they may be on their own in a large home that they dont feel able to sell since the death of a loved one (memories are all that they have left) and cannot afford the high rate of council tax. what about them?

Anonymous

11/27/2022 04:37 PM

I am neither the main taxpayer nor have a disabled partner. Removal of minimum income has no impact on me as I am not working.

Anonymous

11/29/2022 08:28 AM

As someone who is Disabled and in receipt of Employment and Support Allowance (ESA), but self-employed, under Permitted Work Rules, I have been negatively impacted by the scheme introduced in April 2022. I cannot understand how an Equality Impact Assessment did not point out the impact on self-employed disabled people. I am left wondering how, if the proposed change is made, people will prove their income level. Will it be necessary to complete another form, provide tax returns or something else? Would this not add further bureaucracy? Would it not be simpler and fairer to say anyone in receipt of ESA is automatically assumed not to be earning and therefore provide full support as was the case under the pre-April 2022 scheme? If someone were disabled and not self-employed would ESA still be counted towards their income? The figure given seems incorrect, is the Minimum Income Floor not set at £332.50 with a £50.00 discount for those in receipt of certain benefits – including ESA – making a total assumed income of £282.50 not the figure given above?

Anonymous

11/29/2022 12:16 PM

the adults that can pay within the household okay could pay towards council tax, but those that are not able to, such disabled. Those on a very low income, can only pay what they can reasonable afford without leaving them without a household oncome to use.

Anonymous

11/29/2022 05:52 PM

I believe disabled people should not have to pay council tax at all

Anonymous

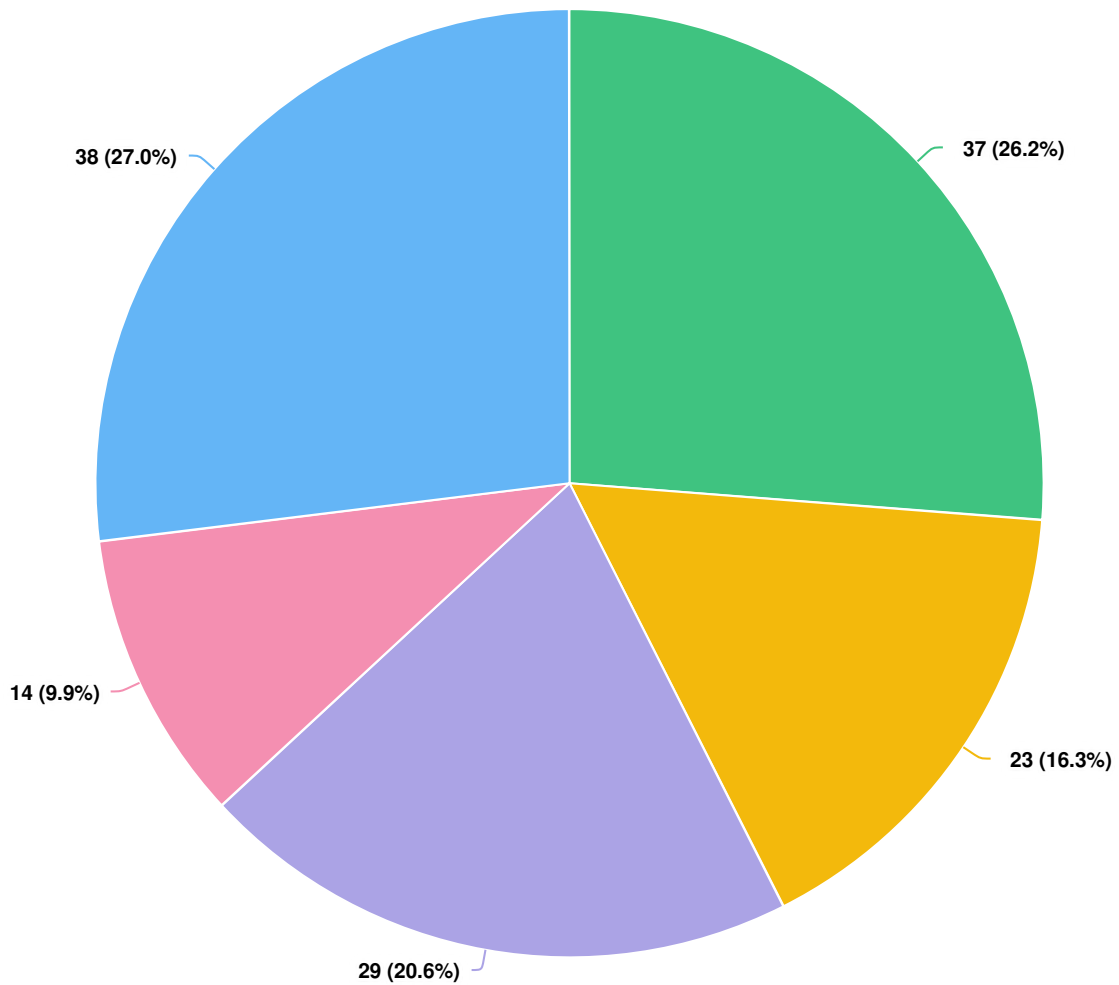
11/29/2022 10:32 PM

If it's a tiered support then I agree it should be wholly tiered. I would prefer that everyone gets a reasonable support regardless of income though, i.e. all eligible get the maximum

Optional question (93 response(s), 51 skipped)

Question type: Essay Question

Q4 How strongly do you agree or disagree with our proposal to change to the rate income bands are increased annually?



Question options

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

Optional question (141 response(s), 3 skipped)
Question type: Radio Button Question

Q5 Please explain your answer including any impact you feel this change may have on you:

Anonymous

10/14/2022 07:31 PM

nothing to add

Anonymous

10/14/2022 08:38 PM

disagree because Ctax is already too high and putting the bands up by any amount will cause extra hardship

Anonymous

10/18/2022 01:18 PM

The general outgoings on a property with prices rising in all area, a suspension of raising the the cost on an annual basis should be stopped untill the general outlook for daily cost return to a more normal level.

Anonymous

10/19/2022 03:54 PM

n/a

Anonymous

10/20/2022 03:37 PM

9.1% pending and more significant fuel payments low-income families will be driven deeper into poverty

Anonymous

10/21/2022 05:47 PM

I am not to sure the effect this would have

Anonymous

10/21/2022 06:31 PM

This seems reasonable, given that the council needs to cut costs. But it would be fairer to increase it by the same percentage that council tax increases.

Anonymous

10/21/2022 06:48 PM

It is almost not worth it to work and be a contributor to the community as you are always left to fend for yourself. Council tax rates are extortionate in Croydon and who pays are always the same people

Anonymous

10/21/2022 06:55 PM

For someone like. Self who does not claim any benefits is struggling to pay for everything that has gone up.

Anonymous

10/21/2022 09:04 PM

The council Tax is already very high for example 2 bedroom house paying £1965.84 per year. It's very hard to pay that much amount.

Anonymous

10/22/2022 05:09 AM

It is only normal to increase the council tax to match cpi

Anonymous

10/23/2022 12:08 PM

It's not clear why you are considering this therefore shouldn't be considered.

Anonymous

10/23/2022 10:54 PM

This will probably mean more council tax increases. No thanks. If you need more money then TAX THE POLLUTING NOISY SPACE-CONSUMING CHILD-KILLING MOTORIST! THEY ARE ADDICTED TO THEIR CARS AND WILL PAY! That means more CPZs. Why is there STILL no parking controls in the areas surrounding Selhurst Park on match days?? Islington have done it for years with Arsenal games why not Croydon??

Anonymous

10/24/2022 09:40 AM

as expenses rise then bands should reflect overall costs

Anonymous

10/24/2022 03:49 PM

.

Anonymous

10/26/2022 11:29 AM

Whatever the increase, will help or not specially in present time is not sure

Anonymous

10/26/2022 04:04 PM

CTS recipients are more likely to be impacted by high inflation than anyone else, why penalise them? what other support could they receive?

Anonymous

10/31/2022 04:00 PM

We should do all we can to protect Residents on lower incomes

Anonymous

11/01/2022 07:36 AM

Council tax currently increases every year with no to limited impact on the services i.e. waste collection is not optimal, libraries close, etc.

Anonymous

11/01/2022 06:06 PM

I think this should be based on the income

Anonymous

11/01/2022 06:12 PM

Low it for all that it affects..

Anonymous

11/01/2022 06:12 PM

N/a

Anonymous

11/01/2022 06:16 PM

We are paying enough already. In line with other councils croydon is very high.

Anonymous

11/01/2022 06:18 PM

This will help stay in line with the inflation of everything going on at the moment.

Anonymous

11/01/2022 06:19 PM

I'm not really understanding this question either.

Anonymous

11/01/2022 06:27 PM

Yes, I think this is reasonable. The world financial crisis is not the fault of the Council and even though your change may mean less benefit, I appreciate you have limited budgets too and it seems fair to make the benefit proportional to the actual council tax. It's hard to know at this point how it will affect me. It seems I'll get less benefit but it seems fair.

Anonymous

11/01/2022 06:26 PM

Especially during the current climate, we need any support we can get, so by removing support only makes matters more stressful

Anonymous

11/01/2022 06:41 PM

I don't actually understand how this would potentially affect me!

Anonymous

11/01/2022 06:42 PM

Not sure how this affect me if I get a part time job

Anonymous

11/01/2022 06:51 PM

With my current council band, the council takes 10% of my income and I'm a single parent in a single income home with two children under 12. It is very difficult providing for my house hold .

Anonymous

11/01/2022 06:57 PM

I prefer keeping the old system. The new proposals will create many issues

Anonymous

11/01/2022 07:50 PM

You have to help your residents

Anonymous

11/01/2022 08:01 PM

I m already struggling with my band

Anonymous

11/01/2022 08:01 PM

I don't understand the proposal completely I'm hoping if this has to rise to its 3% not 9.4 . Can't afford every thing as it is.

Anonymous

11/01/2022 08:35 PM

Its unfair to other residents

Anonymous

11/01/2022 09:28 PM

I do not understand what income bands are and why living in one area means you get charged differently from someone living 3 streets across.

Anonymous

11/01/2022 09:58 PM

as it is we are finding it hard to cope financially on daily bases

Anonymous

11/01/2022 10:00 PM

Am not working and not managing day to day life

Anonymous

11/01/2022 10:01 PM

In the middle of a cost of living crisis we are now expected to also accept cuts to support for the most vulnerable. There is already enormous pressure on my family and the last thing we need is to have to pay more out because of cuts in the amount of support we receive. Its just wrong and badly timed.

Anonymous

11/02/2022 05:29 AM

This is not worded in z simple way for me to understand. In layman's terms what does this mean to me? This is very stressful.

Anonymous

11/02/2022 09:46 AM

I think this might affect a lot of households. Considering the economy crisis currently.

Anonymous

11/02/2022 12:21 PM

Anymore increases on council tax you will see claimants in court and with people such as myself with mental health and other physical health problems deteriorating due to impact of financial difficulties.

Anonymous

11/02/2022 01:37 PM

If If something changed, I would be very grateful, it would make life easier for me and my children. It would be enough for us to eat and live without fear.

Anonymous

11/02/2022 03:46 PM

This is a sharp increase and many will struggle to afford the price rise

Anonymous

11/02/2022 04:05 PM

It does sound good in the current situation but as changes occur and things improve will it still be a good for us do not know how that may

affect later changes in the services that we currently get.

Anonymous

11/02/2022 11:31 PM

It just makes sense to increase the support in line with inflation

Anonymous

11/03/2022 02:32 PM

I don't understand how the bands are calculated

Anonymous

11/03/2022 02:36 PM

it hard enough to pay as it is

Anonymous

11/03/2022 03:11 PM

would make life easier

Anonymous

11/04/2022 08:15 PM

In one hand you are decreasing the minimum amount and on the other hand you are increasing the amount for other working people this is unfair to all. Please have the old council tax support system which was more beneficial then now. We are struggling with our budget and income we don't know how to survive

Anonymous

11/04/2022 10:47 PM

COST OF LIVING ALL RESOURCES TO REDUCE COST IS APPRECIATED

Anonymous

11/04/2022 10:58 PM

This should increase above 3%

Anonymous

11/05/2022 11:52 AM

Impact I work part-time have osteoarthritis, some day I Good other I bad..I have understanding employer allow me to come in to work later..but It come time I will be able to work.

Anonymous

11/05/2022 03:56 PM

Cannot afford any extra money for council tax as disable household where extra money comi g from on benefits???

Anonymous

11/07/2022 06:48 PM

Additional financial pressure on families, you may have to pay out more if and when families start to breakdown due to financial pressure

Anonymous

11/11/2022 12:06 AM

I don't understand

Anonymous

11/11/2022 06:53 AM

No money very low income

Anonymous

11/11/2022 07:47 PM

I'm not getting salary rise as a single mother full time job and survivor of domestic abuse with no benefits entitlement on £23k year - in London! And COL - I'm now suffering with anaemia severely due to COL and the stress Gov are causing us

Anonymous

11/12/2022 02:45 AM

Because I'm on a pension, I don't know how it would affect me

Anonymous

11/12/2022 09:29 AM

Don't get it

Anonymous

11/14/2022 12:34 AM

The bands should remain at one figure only what with the cost of living rising daily

Anonymous

11/14/2022 01:54 PM

As I said in my last answer, if the Council provided a semblance of any service in this God forsaken Borough then it probably would not be so bad. Since Veolia cannot even seem arsed enough now to collect residents' bins the whole thing is a total disgrace!!

Anonymous

11/18/2022 06:52 PM

I will pay less.

Anonymous

11/19/2022 09:43 AM

Cpi is a better reflection of overall increase in life.

Anonymous

11/19/2022 10:34 AM

The bigger the house surely more you should pay. But the services should be improved too.

Anonymous

11/20/2022 11:12 AM

Inflation is impacting household income massively through higher food and energy bills - this policy would deny that reality by removing eligibility for CTS from those whose incomes have not increased in real terms

Anonymous

11/21/2022 09:31 AM

This seems to be a fair system, it will not impact me

Anonymous

11/22/2022 10:40 AM

No comment

Katie.Edland

11/23/2022 11:00 AM

Seeing the financial situation of the council I don't see what else is possible

Anonymous

11/26/2022 07:07 AM

Through no fault of the residents the council members and senior employed heads of service working in the council have let Croydon down and we are facing the third bankruptcy what a disgrace. all this change is merely to raise more taxes from us the residents so the money can be yet again wasted... or make up for other's mistakes. Croydon took their eye off the ball and employed staff clearly unfit to do the job and are hiding behind the Nolan Principles which are not new as being suggested strongly now - too late and where are the legal consequences who is being held to account.

Anonymous

11/27/2022 04:37 PM

I am a disabled resident and receive council tax support. Therefore, the quantity that the council tax annually grew has an impact on me.

Anonymous

11/29/2022 08:28 AM

If the income bands only increase with Council Tax %3, inflation is at %10 and someone's income goes up at %9, so less than inflation but more than Council Tax they will be placed in the next income band up – at least – and will have their Council Tax Reduction decreased. Given that in real terms they will have less money, due to inflation, it seems deeply unfair to increase their Council Tax liability. I would therefore suggest that banding should be based either on the CPI or the Living Wage. This would seem to be a fairer basis on which to calculate increases in the banding.

Anonymous

11/29/2022 12:16 PM

those that can pay more, a household that can afford to pay more should.

Anonymous

11/29/2022 05:52 PM

Council tax increases should be kept to a minimum at all times

Anonymous

11/29/2022 10:32 PM

With all other costs going up, the thresholds should continue to rise in line with CPI

Anonymous

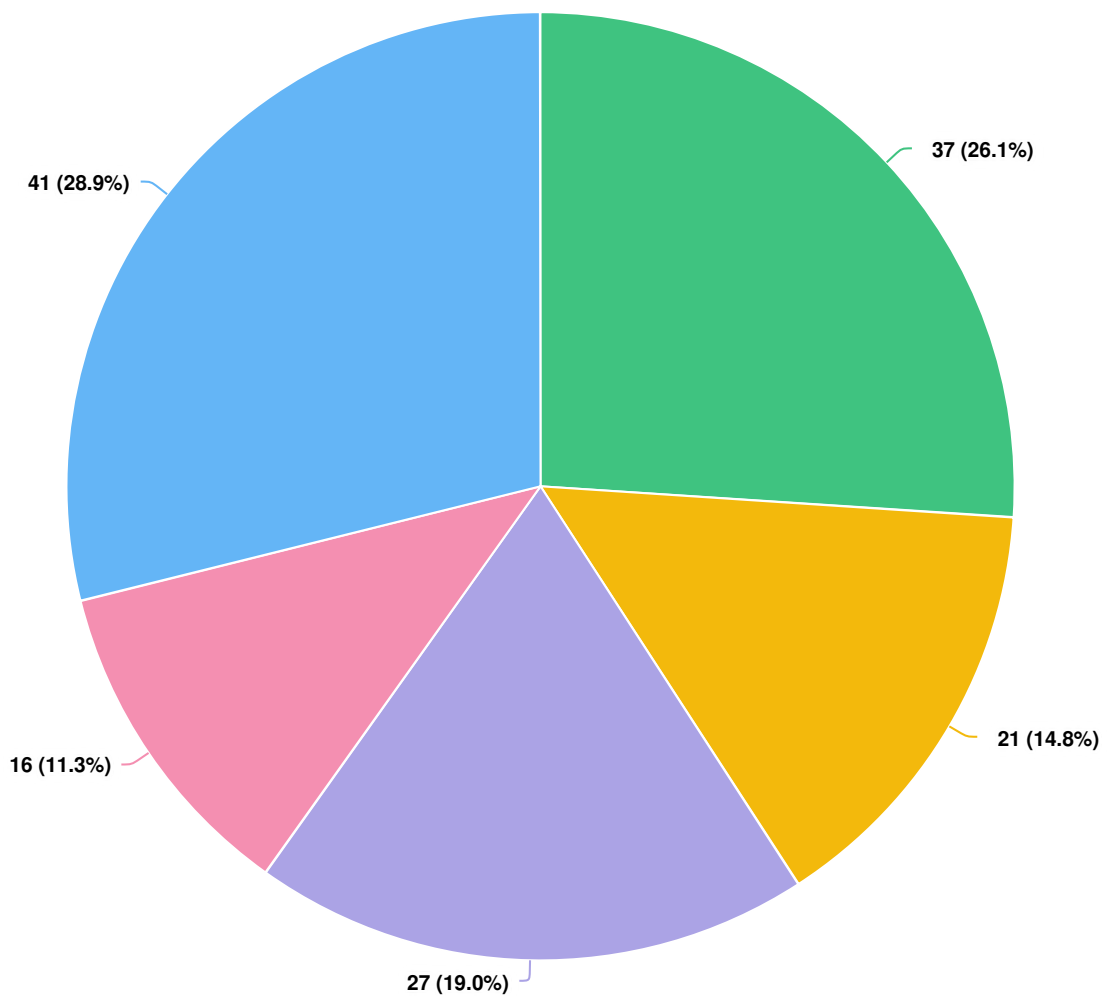
11/30/2022 05:04 PM

Already paying an extortionate amount for a rubbish service from the council. Until things have drastically improved, council tax should stay as it is

Optional question (76 response(s), 68 skipped)

Question type: Essay Question

Q6 How strongly do you agree or disagree with our proposal to apply a deduction to the amount of CTS provided to households of disabled residents where there are other adults in the house?



Question options

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

Optional question (142 response(s), 2 skipped)
Question type: Radio Button Question

Q7 Please explain your answer including any impact you feel this change may have on you:

Anonymous

10/14/2022 07:31 PM

nothing to add

Anonymous

10/14/2022 08:38 PM

You already take a deduction for non dependants along the financial lines that are laid out - 5 for non working etc does this mean that non working spouses will have to pay extra and students over the age of 18 who are still at school why make this change when the non dependant deduction is already in existance? this proposal will only impact familys who are not paying the non dependant deduction and they are most likely the most deprived

Anonymous

10/18/2022 01:18 PM

This totolly depends on the family income and is not easy to make a judgement without know the exact circumstances.

Anonymous

10/19/2022 03:54 PM

n/a

Anonymous

10/19/2022 08:42 PM

if adults are earning money they should all be responsible for the amount that is paid as a family

Anonymous

10/20/2022 03:37 PM

by having other adults in the house if on universal credit already has to pay for bedroom Tax.

Anonymous

10/21/2022 05:47 PM

I think this would also help if a couple

Anonymous

10/21/2022 06:31 PM

It seems reasonable to do this, but the calculation seems unfair. Surely if ther are two adults and one is disabled then the reduction should in support should be 50% and if there are three adults one of whom is disabled then the reduction should be 66% if you are going to apply the principles you are referring to. But then again this seems a bit harsh. So perhaps you should revisit your principles if you aren't fully applying them.

Anonymous

10/21/2022 06:48 PM

There's never a scheme that helps people who work and pay their bills, as if we are millionaires!!!!

Anonymous

10/21/2022 10:15 PM

If disabled my children shouldn't pay they don't live with me all the time.

Anonymous

10/22/2022 05:09 AM

This does not affect me as I have no other residents in my home

Anonymous

10/23/2022 12:08 PM

In the current economic situation reducing support is a clear indicator that the motive of these proposals is one not of care.

Anonymous

10/23/2022 10:54 PM

Good move to encourage people into work.

Anonymous

10/24/2022 09:40 AM

any other household income should be taken into account

Anonymous

10/24/2022 03:49 PM

.

Anonymous

10/26/2022 11:29 AM

Very much

Anonymous

10/26/2022 04:04 PM

As per my previous comments any reduction will impact those who need CTS most.

Anonymous

10/31/2022 04:00 PM

I disagree, as the Government has told us to protect disabled Residents.

Anonymous

11/01/2022 07:36 AM

I don't have a view. Once again, someone may be disabled in the household but they are likely to receive some form of support. Besides there is an assumption that this may impact on the spending for the household when that may not be the case.

Anonymous

11/01/2022 06:12 PM

Again why we paying council tax???

Anonymous

11/01/2022 06:12 PM

All disabled people need financial help

Anonymous

11/01/2022 06:12 PM

I think take home pay, and other bills should be considered

Anonymous

11/01/2022 06:16 PM

What if the other adults don't work or can't work very unfair.

Anonymous

11/01/2022 06:18 PM

Again there seems to be more help for the disabled who don't work or do anything than there is for the people who actually work and have to be doing more hours or having more than one job at a time.

Anonymous

11/01/2022 06:19 PM

This question I'm not understanding either.

Anonymous

11/01/2022 06:27 PM

This won't affect me personally as I'm a single occupier. But it seems fair that all adults in a household should contribute towards council tax, proportionally to their means. My only caution is that those means are properly and fairly assessed. The one thing that doesn't sound good is that the main taxpayer gets a £5 reduction in benefit even if the other adult is not working. This could be quite punitive as the non-working adult may not be in a position to contribute anything, struggling themselves to get by. I'd be against that' but certainly reasonable to apply a deduction when there are other working adults in the household.

Anonymous

11/01/2022 06:26 PM

Especially during the current climate, we need any support we can get, so by removing support only makes matters more stressful

Anonymous

11/01/2022 06:41 PM

This would probably not affect me - I have an adult working child living at my residence but I work myself part time

Anonymous

11/01/2022 06:42 PM

The deduction is very low and i would like to know if this is a fixed deduction. It should differ if your unemployed or in part time employment

Anonymous

11/01/2022 06:57 PM

I prefer keeping the old system. The new proposals will create many issues

Anonymous

11/01/2022 07:27 PM

For someone that is disabled, it is very hard to keep up with inflation in to add more hours when there isn't the chance to

Anonymous

Based on my own situation, I am a lone parent raising my grandchild

11/01/2022 07:40 PM

and my council tax payments have tripled

Anonymous

Correct

11/01/2022 07:50 PM

Anonymous

I need extra support with my CTS

11/01/2022 08:01 PM

Anonymous

I think if the non dependents are disabled not working or a full time 18- 23 uni/student then no i don't think it's easy for them to pay as we are all really struggling as it is . I think if non dependents are working then £5 if wages are low a week eg they are disabled or part time because of circumstances and £10 if wages are the 35 hours a week that you base it on . This will have a big impact on me as i have disabilities and don't work and have to care and be appointee for my autistic son and other disabilities who is 21 and can't work .can't interact with people etc my 18 year old daughter also has autism but with help is trying university but lives at home still because of her Autism with how expensive travelling to uni and every day costs and uni books she doesn't have much . We are a vulnerable household. I thought disabled not working are protected. Also if pip is something that has to count towards being disabled in council tax shouldn't care or mobility be just as important not just care component. Also not everyone that is disabled claims pip .

11/01/2022 08:01 PM

Anonymous

It's unfair to other residents

11/01/2022 08:35 PM

Anonymous

If a claimant is disabled and their partner is working (unless claimant is in need of full time carethat cannot be provided without cost to claimant) then they will be in receipt of more money and so should be entitled to less support

11/01/2022 09:28 PM

Anonymous

Fewer meals

11/01/2022 10:00 PM

Anonymous

In the middle of a cost of living crisis we are now expected to also accept cuts to support for the most vulnerable. There is already enormous pressure on my family and the last thing we need is to have to pay more out because of cuts in the amount of support we receive. Its just wrong and badly timed.

11/01/2022 10:01 PM

Anonymous

11/02/2022 05:29 AM

This does not affect me. I'm a single mom with 2 children in school and a victim of domestic violence. My bill has actually gone up. I can't afford it. Its a choice between buying food (also high) paying energy bills to stay warm (also high) so that we could live everyday. There is no provision for someone like me in this proposed change. Its already hard on parents as we have to work around school hours which excludes us from work that will get us off this benefit. No provision made for that. After school clubs costs, breakfast clubs costs.... there is no consideration of the family and children on this.

Anonymous

11/02/2022 09:46 AM

This might affect the disabled person.

Anonymous

11/02/2022 12:21 PM

People with disabilities should not have the burden on them to pay high council tax when they are on low income especially paying for carers and other services they require.

Anonymous

11/02/2022 01:37 PM

I'm single mom only my work and me and my children's life is in my arms. Is not easy work ,look for Children's help children's for good life . If I have more help then I can help for my children's for normal live is so important.

Anonymous

11/02/2022 03:46 PM

If it's only a small increase this could be manageable as long as it doesn't impact too harshly on the household

Anonymous

11/02/2022 04:05 PM

that seems a fair assessment

Anonymous

11/02/2022 11:31 PM

Not a great idea as the disabled adult may be the sole breadwinner and the unemployed adult may have a disability

Anonymous

11/03/2022 09:36 AM

Reducing such CTS support to households of disabled residents will cause further hardship. Disabled residents such as myself rely on receiving full CTS support. It enables me to experience a weekly health support intervention. Having other adults in the house does not equate to more money for me. Removing such support will ensure that things get worse for me.

Anonymous

11/03/2022 02:36 PM

because of cost

Anonymous

11/03/2022 03:11 PM

would struggle

Anonymous

11/04/2022 08:15 PM

I am a disabled person suffering different chronic health issues that's why not working at all of you will reduce to support just tell me where should we go

Anonymous

11/04/2022 10:47 PM

IN FAVOUR TO REDUCE MY OUT PAYMENTS

Anonymous

11/04/2022 10:58 PM

I think if there are others in the household that earn its fair

Anonymous

11/05/2022 11:52 AM

We should all pay something. We get the service, at times not great

Anonymous

11/05/2022 03:56 PM

Benefits will not provide extra money to pay for concil tax

Anonymous

11/07/2022 06:48 PM

Young people may choose to move out leaving the disabled person facing lack of support and financial pressure

Anonymous

11/11/2022 12:06 AM

My daughter is 18 and on a fairly low income, we are on UC and her income will count towards our household income when she turns 21 I think it should be the same for cts

Anonymous

11/11/2022 07:47 PM

See above - disabilities can vary from high to low - other carer may not be able to get out the door because of their adult young adult or whoever they live with who needs care! There is no way that this will work it's a broad spectrum

Anonymous

11/11/2022 08:21 PM

You can't rely on other's like your children to pay its not their home so they have no obligation, also they might only stay a few days and the rest with their partners.

Anonymous

11/12/2022 02:45 AM

Some adults would be full time students so how is this change affecting the household

Anonymous

11/12/2022 09:29 AM

Hit the rich not the poor

Anonymous

11/14/2022 12:34 AM

People struggle enough so that would be welcomed

Anonymous

11/14/2022 01:54 PM

Please see previous answers - I am tired of getting no services from this joke of a council.

Anonymous

11/18/2022 06:52 PM

i will pay less.

Anonymous

11/19/2022 09:43 AM

Trick question as you put 2 thing's to mask 1 question.

Anonymous

11/19/2022 10:34 AM

What happens when you have a person / carer providing support to the disabled person - also what happens when you have a house with two pensioners, getting on in life and you have a family member move is to provide help.

Anonymous

11/20/2022 11:12 AM

There is extra support for disabled residents for a reason - they encounter higher living costs due to their disability. The presence of other adults in the house is entirely immaterial to that fact.

Anonymous

11/21/2022 09:31 AM

working family members are not able to increase their hours due to caring responsibilities.

Anonymous

11/22/2022 10:40 AM

Disabled people struggke as it is. This will not work or help vulnerable people.

Katie.Edland

11/23/2022 11:00 AM

Perhaps this could be reviewed on a case by case basis

Anonymous

11/26/2022 07:07 AM

as above whatever you are consulting on is merely to find a way to ball our for the neglect that has clearly gone on over the financial situation its a disgrace. Croydon Deserves Better

Anonymous

11/27/2022 04:37 PM

I am a disabled resident who has no partner. Therefore, neither deducting quantity of Council Tax Support nor impact on me.

Anonymous

11/29/2022 12:16 PM

most adults over eighteen pay council tax, so what difference are you talking about? a young person working for £4 per hour, can only pay what they can reasonable pay, not too leave them without money for everyday.

Anonymous

11/29/2022 05:52 PM

All disabled residents should pay no council tax

Anonymous

11/29/2022 10:32 PM

Sounds like your punishing people for having a support network

Optional question (74 response(s), 70 skipped)

Question type: Essay Question

Q8 | If you have any other comments or ideas you'd like us to consider as part of this consultation, tell us below:

Anonymous

10/14/2022 08:38 PM

Croydon council should sort itself out - the previous serious mismanagement

Anonymous

10/18/2022 01:18 PM

We have a number of charitable organisations who still pay council tax. These properties should be exempt which would assist them with their outlay on a weekly basis.

Anonymous

10/19/2022 03:54 PM

Message to the government and politicians, "Just be opened and honest with the people and stop taking us for idiots, because we are done with this fooliness t

Anonymous

10/20/2022 03:37 PM

this is just another way of making poorer house holds pay more while government cuts pensions and U/C

Anonymous

10/21/2022 05:47 PM

I am disabled and unable to work so assume these changes wouldn't affect me

Anonymous

10/21/2022 06:31 PM

I assume that disabled single occupancy households that currently receive 100% reduction in Council Tax, will continue to do so.

Anonymous

Just cut this ridiculous council tax, it is a robbery!!!!

10/21/2022 06:48 PM

Anonymous

10/21/2022 09:46 PM

Doesn't benefit me as I live with an elderly parent and I work part time, less than 20 hours a week. There's Concessions for people like me, who are not entitled to any benefits.

Anonymous

10/21/2022 10:15 PM

I pay my council tax bill, I'm disabled but work my 2 grown children don't always stay with me they have partners so why should they pay.

Anonymous

10/22/2022 12:18 PM

I don't think anyone who has less than £12500.00 coming in should have to pay any council tax.

Anonymous

10/23/2022 12:08 PM

Serve your borough,

Anonymous

10/23/2022 10:54 PM

We need MORE LTNs, MORE Controlled Parking Zones, MORE cycle lanes. The traffic in Thornton Heath High St is awful at peak time. Get rid of the parking spaces there for new cycle lanes. Get rid of all these cars they do not belong here!

Anonymous

10/24/2022 09:40 AM

regular ad hoc checks should be made on claimants to reduce fraud

Anonymous

10/24/2022 03:49 PM

.

Anonymous

10/26/2022 11:29 AM

Pensioners fully retired (not working) must be considered for benefit

Anonymous

10/31/2022 04:00 PM

Please revert the CTS scheme to the old 2013/22 scheme, as Residents are on their knees, especially given the cost of living crisis.

Anonymous

11/01/2022 06:12 PM

I'm a working one parent mum I'm struggling a lot to pay nearly £300 pounds I work part-time and it's hard to ...

Anonymous

11/01/2022 06:12 PM

N/a

Anonymous

This is a welcome development, but take home pay, childcare bills

11/01/2022 06:12 PM

and other bills should be considered

Anonymous

11/01/2022 06:19 PM

I think if you explain these questions so the layman can understand would help.

Anonymous

11/01/2022 06:26 PM

As a neurodivergent resident, this wording and phrasing is very alienating for me and prefer it in layman's terms so it's clear and everyone understands

Anonymous

11/01/2022 06:28 PM

Council tax should be issued accordingly to the income of residents

Anonymous

11/01/2022 06:51 PM

I nor anyone in my home is disabled but we struggle since my monthly council tax payment was raised to £154

Anonymous

11/01/2022 07:12 PM

Where both persons are unemployed or unemployed and the other is retired they should have a much higher discounting system.

Anonymous

11/01/2022 07:40 PM

How can Croydon Council triple the amount that a non working person has to pay when everything else has gone up but our money hasn't!!

Anonymous

11/01/2022 07:50 PM

We as your residents, we need your support to live right now we pay a very high amount for council tax and other bills at the end of the month particularly with my family we struggling a lot every single month

Anonymous

11/01/2022 08:01 PM

I thought disabled not working are protected as they are vulnerable. Households like mine the non dependents are vulnerable with disabilities .

Anonymous

11/01/2022 08:26 PM

I understand the expenses, but if there is nothing to pay from, where to get the money. Renting a house costs us a lot. Now electricity and gas are costly. We are both retired, my husband is sick.

Anonymous

11/01/2022 08:35 PM

The council tax is really high I can't even imagine things should go back the way they used to be

Anonymous

11/01/2022 09:58 PM

with the rise in cost of living we will find it very hard

Anonymous

11/01/2022 10:00 PM

More support for the disabled

Anonymous

11/01/2022 10:01 PM

It will no fall upon my Teenage daughter to pay the gap between deductions and support. This is unfair and ill timed.

Anonymous

11/02/2022 05:29 AM

How have your changes catered to single DV mothers with children in school?

Anonymous

11/02/2022 09:46 AM

N/A

Anonymous

11/02/2022 01:37 PM

I'm begging you to consider my situation and for help. My and children life is very poor And I would like a strong mother for them every help helps us and through life I do not fear. Thank you so much

Anonymous

11/04/2022 08:15 PM

Please make our lives easier please help us by providing council tax support as in past we are not happy with the current or the future CTS programme.

Anonymous

11/04/2022 10:47 PM

MONEY COMING IN TO ASSIST DURING COST OF LIVING WELCOMED

Anonymous

11/05/2022 11:52 AM

One comment, when it's snow all Roads regardless where you live they come do where we live. Once it snow I come out of house. Because I problems walking.

Anonymous

11/05/2022 03:56 PM

Why croydon council asking extra money from disable household when benefits make difficult to live on??????

Anonymous

11/07/2022 06:48 PM

People with disabilities struggle everyday to get the support from family members as is, find another way to get savings, turn off your lights, save on paper, get rid of some managers and lame staff. Stoo giving undeserving pay outs

Anonymous

11/11/2022 12:06 AM

Adults age should be 21 as it is for uc

Anonymous

11/11/2022 06:53 AM

I live on my own I'm Struggling I just about can pay my rent my wages are very low not much money to pay on my bills and food ey

Anonymous

11/11/2022 07:47 PM

Give the government and deduction in salary - a big one and then put their bills up so they can't survive either!

Anonymous

11/14/2022 01:54 PM

It is a disgrace that you are even having this consultation when you provide simply nothing in services to the Borough residents now!!

Anonymous

11/18/2022 06:52 PM

We gave lots of money and we got not much less for food.

Anonymous

11/19/2022 09:43 AM

you are faking the question as there is more than just the pay, the council also takes into the account peoples savings that is not mentioned.

Anonymous

11/19/2022 10:34 AM

What are you doing about the house of mutli occupancy can be up to five families. Plus house left empty

Anonymous

11/20/2022 11:12 AM

Cutting council tax support in the middle of a recession - and the deepest cost of living crisis on record (according to the OBR) would be cruel. It is the wrong policy at the wrong time.

Anonymous

11/22/2022 10:40 AM

Do not lower support for disabled people. The whole proposed changes are unethical.

Anonymous

11/25/2022 08:21 PM

In April the council tax changed to being only calculated on weekly income.It is extremely unfair, you are only looking at the weekly income & not how many dependants someone has & their outgoings. I am a single mum of 4 working part time, c.tax so high

Anonymous

11/26/2022 07:07 AM

I have many comments but as a member of staff as well as a rate payer since 1973 nce moving to Croydon in 1972

Anonymous

11/27/2022 04:37 PM

I can add to consultation no comments or ideas.

Anonymous

ESA is provided to disabled people because the welfare system

11/29/2022 08:28 AM

recognises that disabled people's income-related needs are higher than non-disabled people because of the additional costs associated with disability. It should be disregarded by the council.

Anonymous

11/29/2022 12:16 PM

yes please count me as a person to consult with, you should contact resident's that we can give feedback, plus

Anonymous

11/29/2022 05:52 PM

I disagree with any resident having to pay more council tax above the government guidelines just because the council have yet again declared bankruptcy !!! No disabled resident/s should have to pay council tax at all

Anonymous

11/29/2022 06:27 PM

Households where only one adult can work because the other is disabled should have the same council tax reduction as single adult households

Anonymous

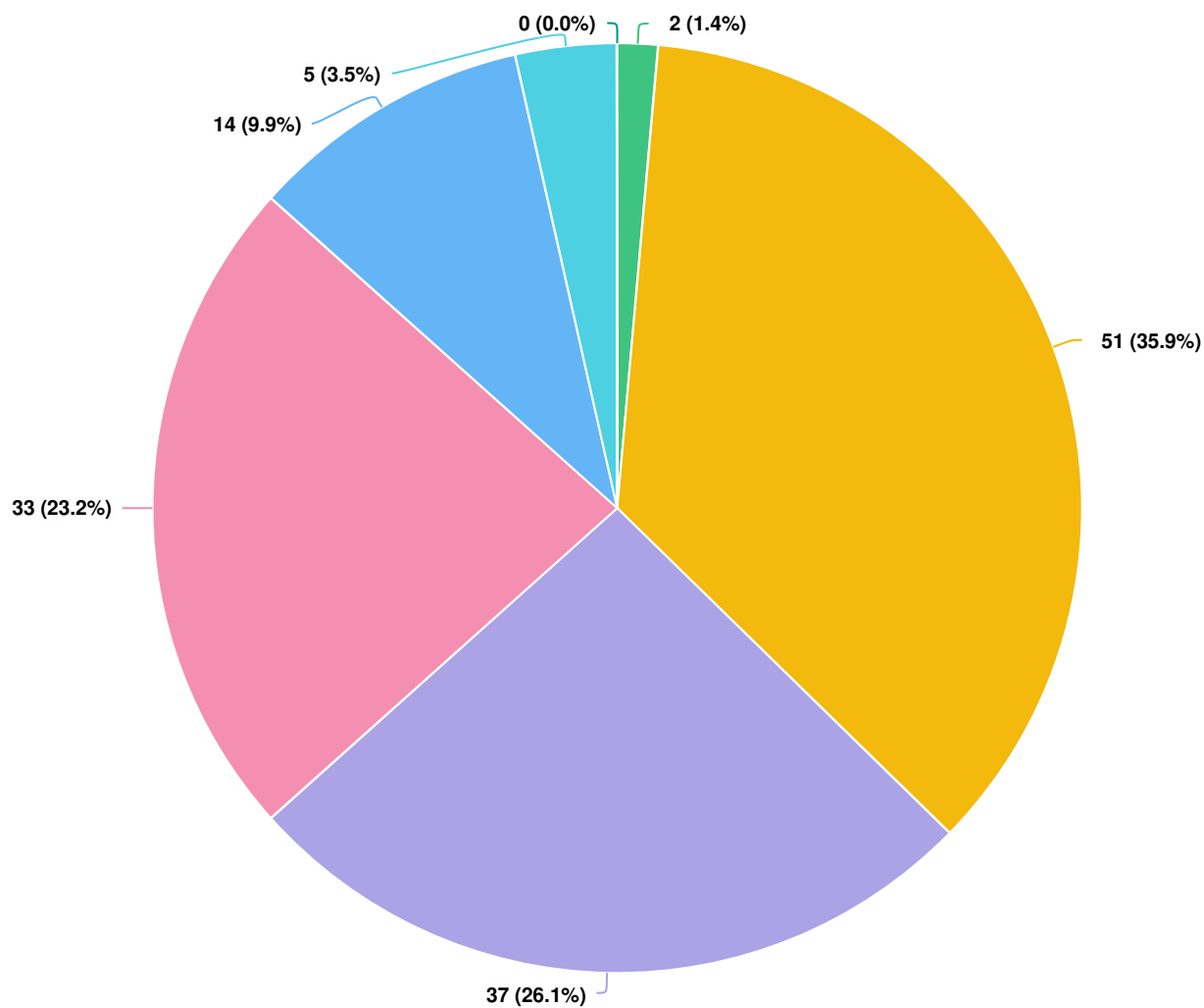
11/29/2022 10:32 PM

Stop trying to save money from those less able. Try and establish some businesses in the area again instead to generate income.

Optional question (57 response(s), 87 skipped)

Question type: Single Line Question

Q9 What age are you?

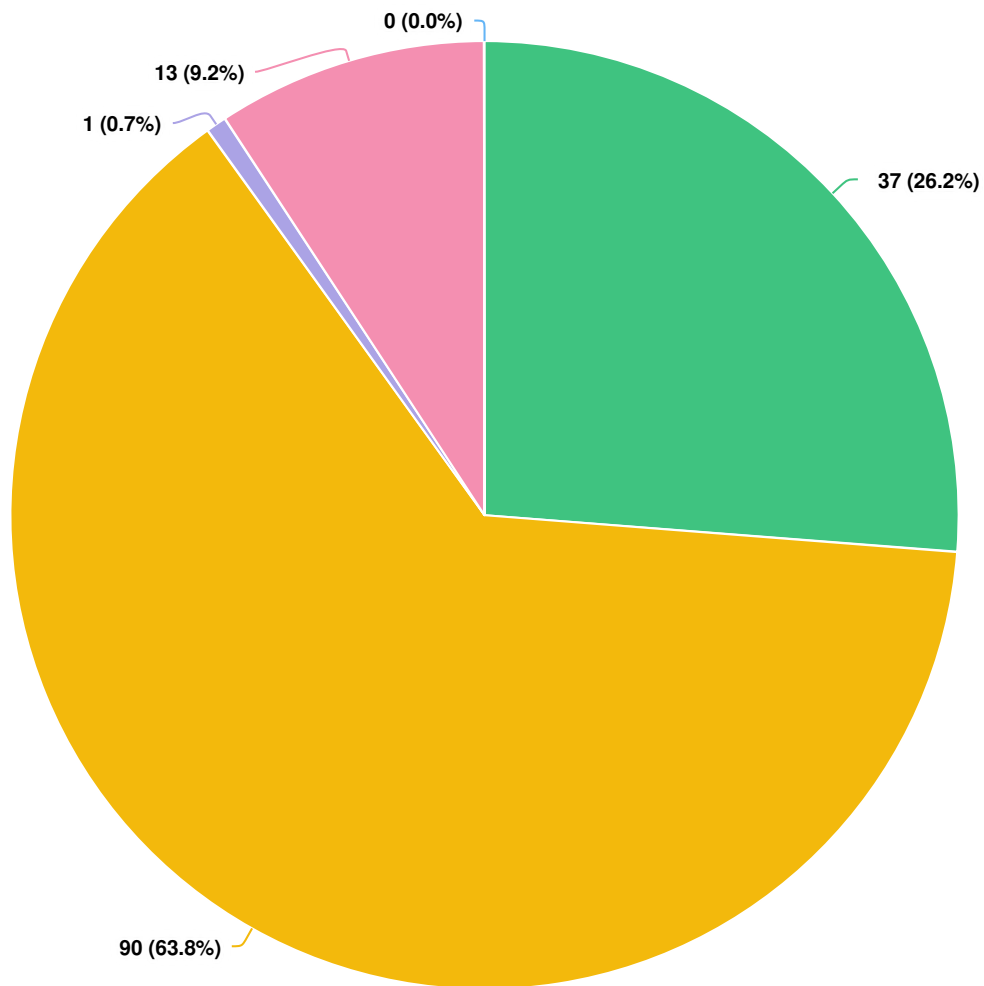


Question options

- 18-25
- 26-45
- 46-55
- 56-65
- 66+
- Prefer not to say
- Under 18

Optional question (142 response(s), 2 skipped)
Question type: Radio Button Question

Q10 How would you describe your gender identity?

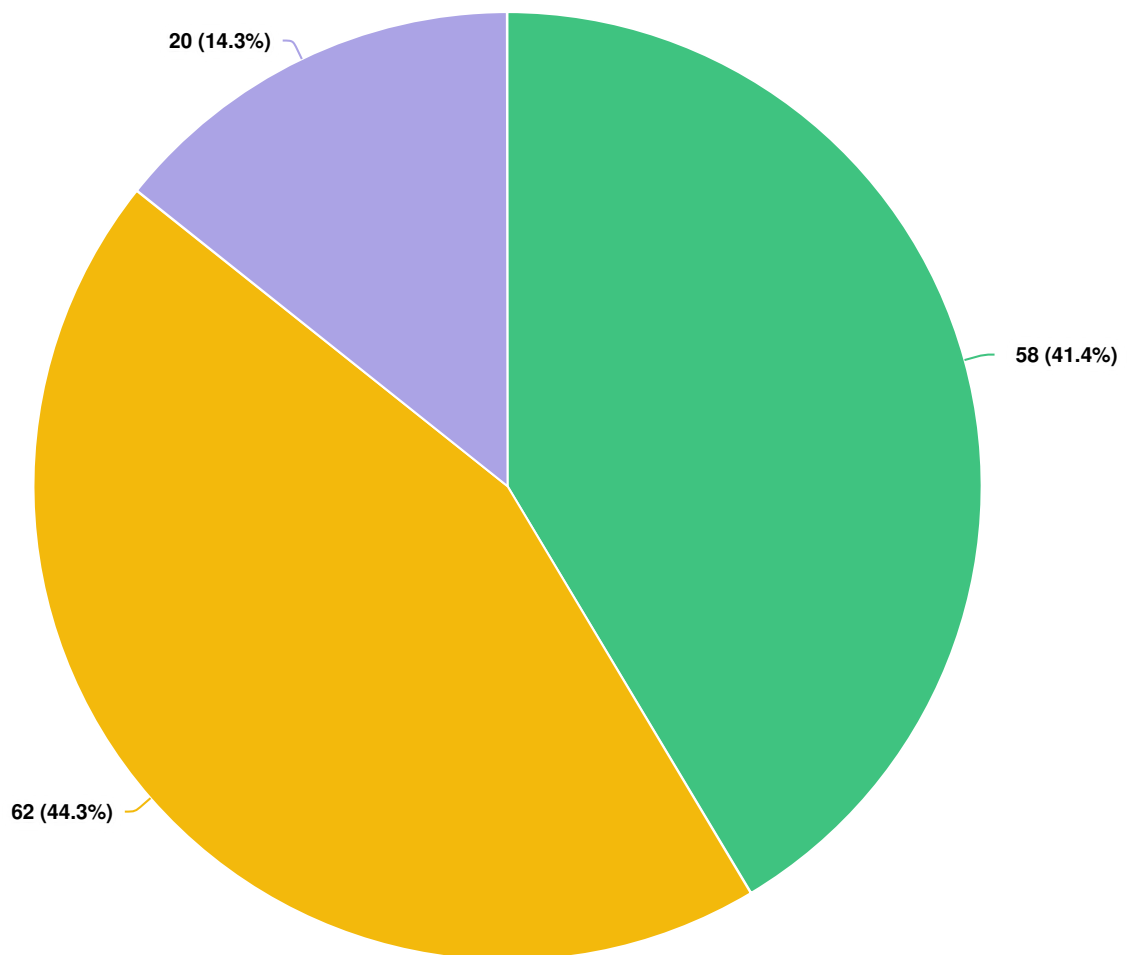


Question options

- Male
- Female
- Non-Binary
- Prefer not to say
- Transgender

Optional question (141 response(s), 3 skipped)
Question type: Radio Button Question

Q11 Do you have any disabilities?

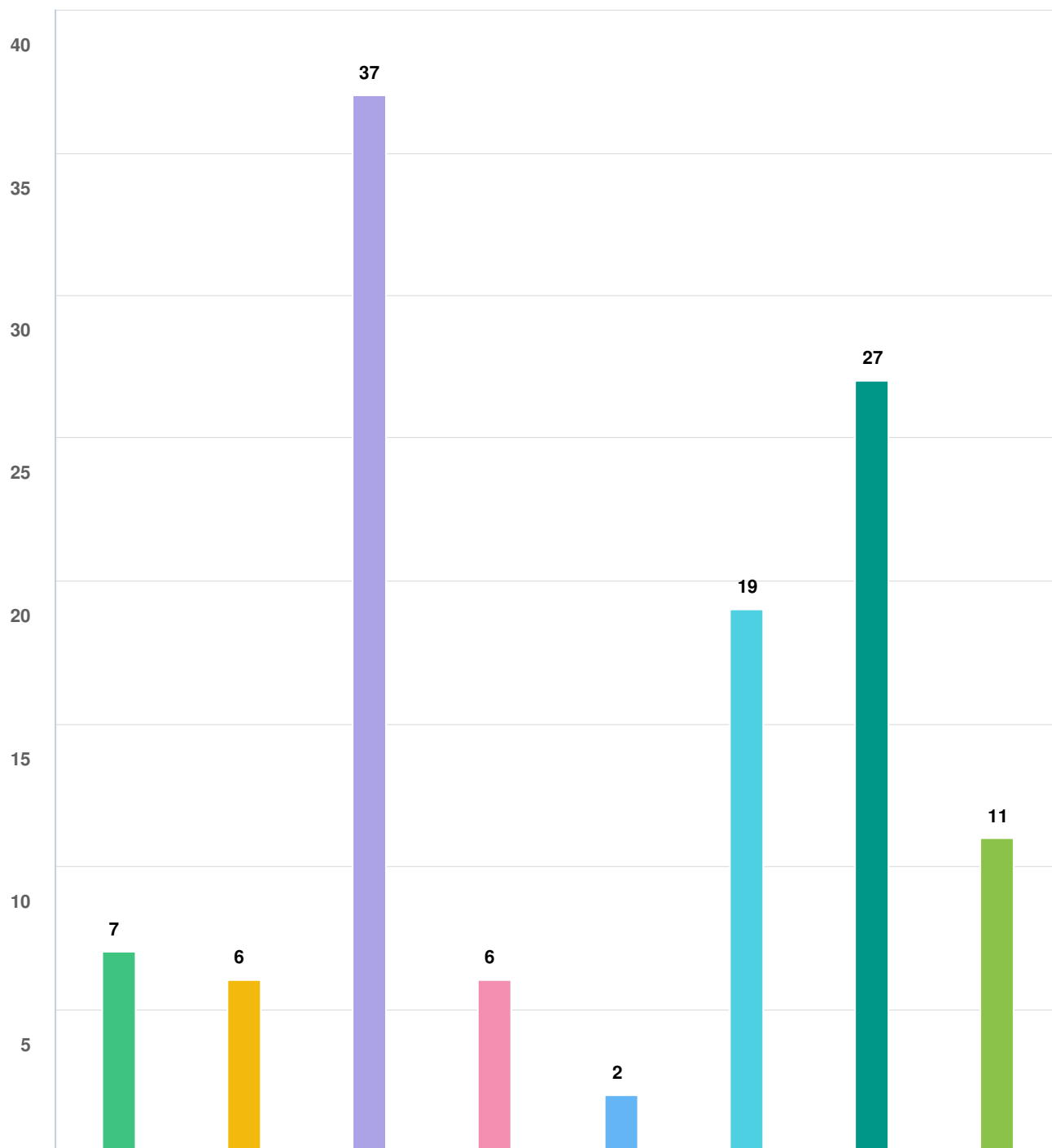


Question options

- Yes
- No
- Prefer not to say

Optional question (140 response(s), 4 skipped)
Question type: Radio Button Question

Q12 What type of disability(ies) do you have?

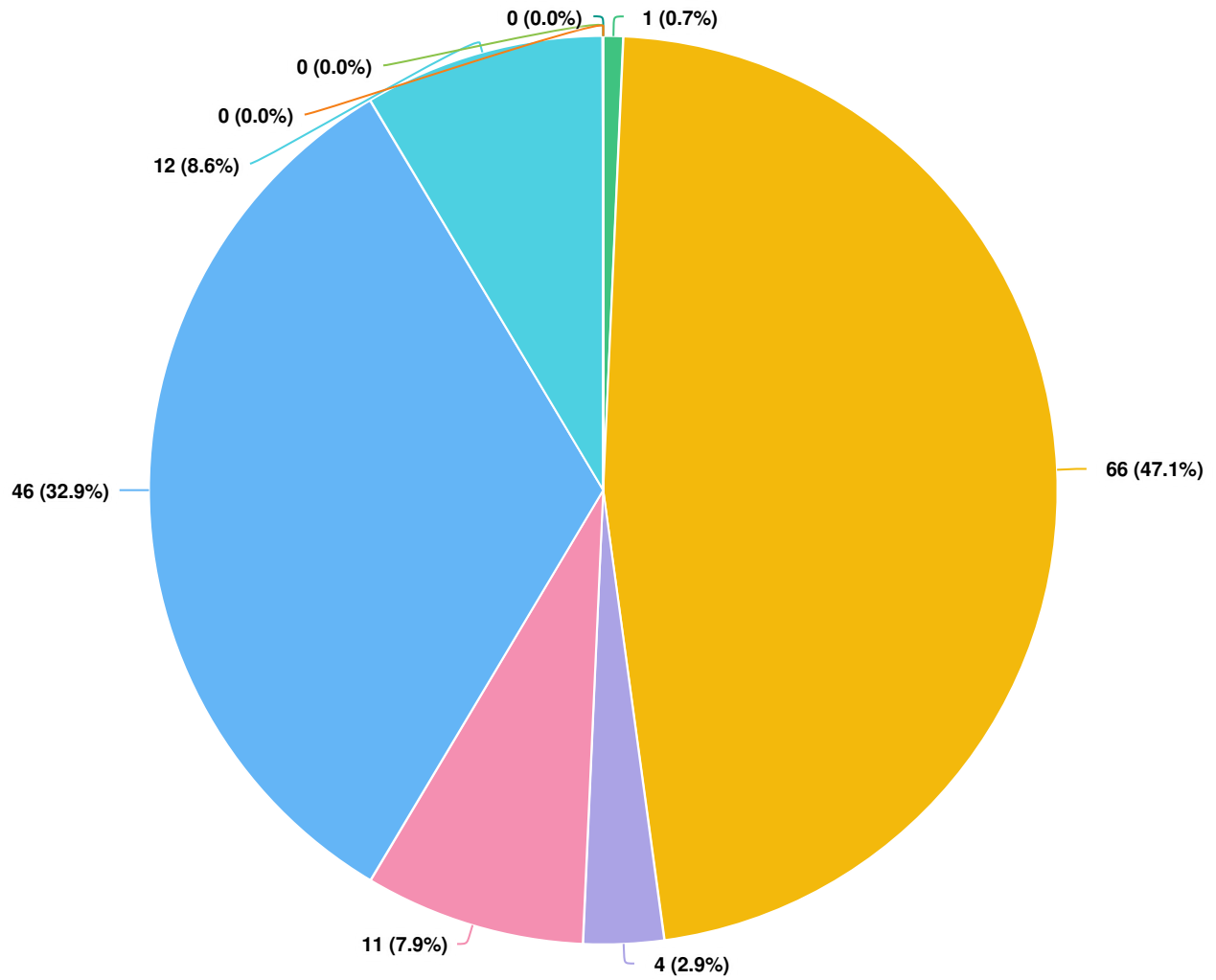


Question options

- Visually impaired
- Hearing impaired
- Mobility disability
- Learning disability
- Communication disability
- Hidden disability (e.g. autism, asthma etc)
- Prefer not to say
- Other (please specify)

Optional question (84 response(s), 60 skipped)
Question type: Checkbox Question

Q13 What is your religion?



Question options

- Buddhist
- Christian
- Hindu
- Muslim
- Prefer not to say
- Other (please specify)
- Sikh
- Baha'i
- Jewish

Optional question (140 response(s), 4 skipped)
Question type: Radio Button Question

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Equality Analysis Form

1. Introduction

1.1 Purpose of Equality Analysis

The council has an important role in creating a fair society through the services we provide, the people we employ and the money we spend. Equality is integral to everything the council does. We are committed to making Croydon a stronger, fairer borough where no community or individual is held back.

Undertaking an Equality Analysis helps to determine whether a proposed change will have a positive, negative, or no impact on groups that share a protected characteristic. Conclusions drawn from Equality Analyses helps us to better understand the needs of all our communities, enable us to target services and budgets more effectively and also helps us to comply with the Equality Act 2010.

An equality analysis must be completed as early as possible during the planning stages of any proposed change to ensure information gained from the process is incorporated in any decisions made.

In practice, the term '**proposed change**' broadly covers the following:-

- Policies, strategies and plans;
- Projects and programmes;
- Commissioning (including re-commissioning and de-commissioning);
- Service review;
- Budget allocation/analysis;
- Staff restructures (including outsourcing);
- Business transformation programmes;
- Organisational change programmes;
- Processes (for example thresholds, eligibility, entitlements, and access criteria).

2. Proposed change

Directorate	Resources
Title of proposed change	Council Tax Support review
Name of Officer carrying out Equality Analysis	Helen Helliwell

2.1 Purpose of proposed change (see 1.1 above for examples of proposed changes)

Briefly summarise the proposed change and why it is being considered/anticipated outcomes. What is meant to achieve and how is it seeking to achieve this? Please also state if it is an amendment to an existing arrangement or a new proposal.

Council tax support is a means tested benefit that residents are able to apply for to support them with council tax payments. There are currently 26,666 active claims for council tax support. There are currently 162,465 chargeable dwelling in Croydon, these are properties where there is a council tax liability.

As an authority we have a duty to review our council tax support scheme annually, as a result of this review we are proposing 3 potential changes to the application of the scheme. The changes are:

Remove the minimum income floor for self-employed disabled working claims. This will positively affect households that have been classified as disabled working, and where the claimant or partner are self-employed and their income isn't disregarded already under permitted earnings

Change the rate by which the income bandings are increased from Consumer Price Index (CPI) to the percentage by which council tax is increased.

This change will affect all claimants equally. The proposal is to increase the income bands used within the scheme by the same percentage that we increase Council Tax. This won't be a set percentage but rather the scheme will state that the income bands will increase by how much London Borough of Croydon increases council tax each year.

Introduce non-dependant deductions for disabled non-working claims. One of the principles of the CTS scheme is that everyone in the household should pay towards council tax. Non-dependents are other adults that live in the property, excluding any partners. In all other groups within the scheme a deduction is taken from the level of CTS entitlement based on the non-dependents income. To implement the 'everyone in the household should pay' principle across all residents we are proposing to introduce non-dependent deductions to disabled not working claims.

The aim of these changes are to make some elements of the scheme fairer and to re-align to the principles of the scheme after a major overhaul of the scheme in April 2022. There is also a need to review the cost of the scheme, especially in relation to the rate of the CPI which would have a major impact on the cost of council tax support to the council.

In seeking to reduce the cost of the scheme the result of two of the changes will mean a reduction in the level of support residents will receive.

3. Impact of the proposed change

Important Note: It is necessary to determine how each of the protected groups could be impacted by the proposed change. Who benefits and how (and who, therefore doesn't and why?) Summarise any positive impacts or benefits, any negative impacts and any neutral impacts and the evidence you have taken into account to reach this conclusion. Be aware that there may be positive, negative and neutral impacts within each characteristic.

Where an impact is unknown, state so. If there is insufficient information or evidence to reach a decision you will need to gather appropriate quantitative and qualitative information from a range of sources e.g. Croydon Observatory a useful source of information such as Borough Strategies and Plans, Borough and Ward Profiles, Joint Strategic Health Needs Assessments <http://www.croydonobservatory.org/> Other sources include performance monitoring reports, complaints, survey data, audit reports, inspection reports, national research and feedback gained through engagement with service users, voluntary and community organisations and contractors.

3.1 Deciding whether the potential impact is positive or negative

Table 1 – Positive/Negative impact

For each protected characteristic group show whether the impact of the proposed change on service users and/or staff is positive or negative by briefly outlining the nature of the impact in the appropriate column. . If it is decided that analysis is not relevant to some groups, this should be recorded and explained. In all circumstances you should list the source of the evidence used to make this judgement where possible.

Protected characteristic group(s)	Positive impact	Negative impact	Source of evidence
-----------------------------------	-----------------	-----------------	--------------------

<p>Age</p>	<p>Neutral impact as pensioners are protected from all proposed changes.</p>	<p>All working age claimants would be effected by the changes to the rate by which the income bands will be increased.</p>	<p>According to the 2021 census, The population in Croydon has grown to 390,719 from 363,400 in 2011. 67% of all residents are between the ages of 15 and 64 years old, and 14% are aged over 64.</p> <p>The age breakdown for the borough, according to the 2021 census is as follows:</p> <table border="1" data-bbox="1413 419 2013 791"> <thead> <tr> <th>Age</th> <th>2021 Census Estimates in Croydon</th> <th>2021 census age breakdown of total population</th> </tr> </thead> <tbody> <tr> <td>0-15</td> <td>19.3%</td> <td>17.4%</td> </tr> <tr> <td>15-64</td> <td>67%</td> <td>64.2%</td> </tr> <tr> <td>64+</td> <td>13.6%</td> <td>18.4%</td> </tr> </tbody> </table> <p>The current caseload age breakdown is as follows:</p> <table border="1" data-bbox="1413 1029 1827 1334"> <thead> <tr> <th>Age</th> <th>CTS caseload breakdown</th> </tr> </thead> <tbody> <tr> <td>0-15</td> <td>0%</td> </tr> <tr> <td>15-64</td> <td>69.9%</td> </tr> <tr> <td>64+</td> <td>30.1%</td> </tr> </tbody> </table>	Age	2021 Census Estimates in Croydon	2021 census age breakdown of total population	0-15	19.3%	17.4%	15-64	67%	64.2%	64+	13.6%	18.4%	Age	CTS caseload breakdown	0-15	0%	15-64	69.9%	64+	30.1%
Age	2021 Census Estimates in Croydon	2021 census age breakdown of total population																					
0-15	19.3%	17.4%																					
15-64	67%	64.2%																					
64+	13.6%	18.4%																					
Age	CTS caseload breakdown																						
0-15	0%																						
15-64	69.9%																						
64+	30.1%																						
<p>Disability</p>	<p>Those who are disabled and self-employed will no</p>	<p>Where a claimant or partner are disabled and not working a deduction</p>	<p>Based on our current caseload 31% of all of our claims are identified as claims where either than claimant or partner as disabled.</p>																				

	<p>longer have an assumed income figure used. Previously an increased assumed income would have been used, meaning they would be getting a reduced entitlement,</p>	<p>will be introduced for any other adult living in the property For Disabled claims where the claimant or partner are working they will be impacted, along with all other working age claims by the proposal to change the rate by which the income bands are increased</p>	<p>In 28% of these claims either the claimant or partner are disabled and neither are in work, and 3% of claims are classified as disabled working claims meaning either the claimant or partner are disabled and either are in work.</p> <p>As part of the consultation we asked respondents if they considered themselves to have a disability. 140 respondents confirmed whether or not they considered themselves having a disability, 41.4% considered themselves having a disability, 44.3% answered no and 14.3% preferred not to say.</p> <p>84 of the above went on to declare the disability that was identified.</p> <ul style="list-style-type: none"> • 8.3% were visually impaired; • 7.1% declared a hearing impairment; • 44% identified having a mobility disability; • 7.1% declared a learning disability; • 2.4% had communication difficulty; • 22.6% had a hidden disability; and • 32.1% preferred not to say <p>13.1% stated they identified as having another disability</p>
Sex	None identified	<p>Of the 16,260 single claims by females, 11,795 are from working age claimants and of the 6,263 male claims 4,187 are working age. These claimants will be effected by the change to the amount the income bands will be increased.</p>	<p>16,260 of the claims made by single people are females, and 6,263 are from males, there are 30 cases where the sex of the claimant is unknown. In claims for couples 1,548 have a female as the claimant and 2,554 have a male. However who is the lead claimant is purely down to whose name is input on the claim form first.</p>
Gender Reassignment	None identified	<p>We are unable to identify of those who provided their gender identity whether</p>	<p>Data on gender reassignment is not routinely captured. A person's innate sense of their own gender, whether</p>

		<p>they are working age or of pension age, but any working age claimants in these groups will be effected by the changes to the percentage by which the income bands are due to be increased.</p>	<p>male, female or something else may or may not correspond to the sex assigned at birth.</p> <p>We have recently moved to a new application form and will explore the option of adding additional questions that will enable us to gather this information.</p> <p>As part of the consultation process we asked respondents to describe their gender identity, 26.2% of people who answered that question identified as male, 63.8% female, 0.7% as non-binary, no one identified as transgender and 9.2% preferred not to say.</p>														
Marriage or Civil Partnership	<p>If one member of a couple is disabled, and the other is self-employed then they will no longer have an assumed income figure applied to their claim. Previously an increased assumed income would have been used, meaning they would be getting a reduced entitlement,</p>	<p>Of the 22,559 single claims, 16,003 are from working age claimants, and 2,375 of the 4,107 of claims by couples are working age claims. These claimants will be effected by the changes to the percentage by which the income bands are due to be increased.</p>	<p>4107 (15%) claims of the current case load are those made by couples, the remaining 22,559 (85%) are from single claimants.</p> <p>Whether or not the couples are married or in a civil partnership, or are unmarried partners does not affect the way the claims are calculated. We do not hold specific details regarding if a couple are married or not as we do not ask that specific question in our application form, rather if they have a partner.</p>														
Religion or belief	<p>None identified</p>	<p>We are unable to identify of those who provided their religion whether they are working age or of pension age, but any working age claimants in these groups will be effected by the changes to the percentage by which the income bands are due to be increased</p>	<p>As part of the consultation we asked people what their religion was:</p> <table border="1"> <tr> <td>Christian</td> <td>47.1%</td> </tr> <tr> <td>Prefer not to say</td> <td>32.9%</td> </tr> <tr> <td>Other</td> <td>8.6%</td> </tr> <tr> <td>Muslim</td> <td>7.9%</td> </tr> <tr> <td>Hindu</td> <td>2.9%</td> </tr> <tr> <td>Buddhist</td> <td>0.7%</td> </tr> <tr> <td></td> <td></td> </tr> </table>	Christian	47.1%	Prefer not to say	32.9%	Other	8.6%	Muslim	7.9%	Hindu	2.9%	Buddhist	0.7%		
Christian	47.1%																
Prefer not to say	32.9%																
Other	8.6%																
Muslim	7.9%																
Hindu	2.9%																
Buddhist	0.7%																
Race	<p>None identified</p>	<table border="1"> <tr> <td></td> <td>Number</td> <td>% of caseload</td> </tr> </table>		Number	% of caseload	<p>Where the claimant has provided their race this has been recorded and the current caseload is broken down as follows:</p>											
	Number	% of caseload															

Asian or Asian British: Bangladeshi	129	0.7%
Asian or Asian British: Indian	234	1.3%
Asian or Asian British: Pakistani	412	2.2%
Asian or British : Any other Backgrnd	405	2.2%
Black-Black British:African	1815	9.9%
Black-Black British:Caribbean	2042	11.1%
Black-Black British:Other	400	2.2%
Chinese	35	0.2%
Mixed :Any other mixed background	229	1.2%
Mixed: White and Asian	216	1.2%
Mixed: White and Black Caribbean	442	2.4%
White: British	3491	19.0%
White: Any other White background	1021	5.6%
Not Known	7519	40.9%
Total working age caseload	18390	

	Number	% of caseload
Asian or Asian British: Bangladeshi	162	1%
Asian or Asian British: Indian	387	1%
Asian or Asian British: Pakistani	546	2%
Asian or British : Any other Backgrnd	571	2%
Black-Black British:African	2098	7%
Black-Black British:Caribbean	2426	8%
Black-Black British:Other	2433	8%
Chinese	55	0%
Mixed :Any other mixed background	252	1%
Mixed: White and Asian	235	1%
Mixed: White and Black Caribbean	460	2%
White: British	4755	17%
White: Any other White background	1203	4%
Not Known	13077	46%
Total	28660	

		This is the break down for working age claims – these claimants will be effected by the changes to the percentage by which the income bands are due to be increased.	
The Sexual Orientation	None identified	Of the 29 same sex couples claiming council tax support, 25 are working age claims. These claimants will be effected by the changes to the percentage by which the income bands are due to be increased	Within the current case load there are 4107 claims made by couples, of those 29 are from couples where each partner is of the same sex. We do not ask for details of claimants sexual orientation as part of the application process, so are unable to identify the breakdown for those who have made a single application form.
Pregnancy or Maternity	None identified	Of the 38 claims where the claimant or partner are in receipt of maternity pay all are of working age so will be effected by the changes to the percentage by which the income bands are due to be increased	We currently have 38 active claims where the claimant or partner are in receipt of maternity pay which is recorded on our system. We do not record if someone is pregnant at the time of application.

Important note: You must act to eliminate any potential negative impact which, if it occurred would breach the Equality Act 2010. In some situations this could mean abandoning your proposed change as you may not be able to take action to mitigate all negative impacts.

When you act to reduce any negative impact or maximise any positive impact, you must ensure that this does not create a negative impact on service users and/or staff belonging to groups that share protected characteristics. **Please use table 4 to record actions that will be taken to remove or minimise any potential negative impact**

3.2 Additional information needed to determine impact of proposed change

Table 2 – Additional information needed to determine impact of proposed change

If you need to undertake further research and data gathering to help determine the likely impact of the proposed change, outline the information needed in this table. Please use the table below to describe any consultation with stakeholders and summarise how it has influenced the proposed change. Please attach evidence or provide link to appropriate data or reports:

Additional information needed and or Consultation Findings	Information source	Date for completion
We carried out public consultation regarding the changes. We received 144 responses, 69% of the respondents were in receipt of council tax support. In relation to the proposed changes the responses were:	Full consultation report attached.	

	Strongly or somewhat agree	Neither agree or disagree	Strongly or somewhat disagree
Removal of the minimum income floor for disabled working claims	54%	19%	26%
Changing the percentage the income bands are increased.	42%	21%	40%
Introducing a non-dependant deduction for disabled not working claims	40.90%	19%	40.10%

Out of the 144 respondents, 142 answered the questions regarding to the age of the respondent. 1.4% were between 18-25, 35.9% were between the ages of 26-45, 26.1% were between the ages of 46-55. 23.2% were aged 56-65, and 9.9% were aged 66 or over 3.5% preferred not to declare their age

The largest group of respondents were aged between 26-45, the council tax support caseload indicates that 34% of those who claim are between the ages of 26-45.

141 residents answered the question regarding gender, of which 63.8% confirmed they identified as being female, 26.2% identified as being male, 0.7% confirmed they identified as being non-binary, 9.2% preferred not to say what they identified their gender to be.

140 respondents confirmed whether or not they considered themselves having a disability, 41.4% considered themselves having a disability, 44.3% answered no and 14.3% preferred not to say.

84 of the above went on to declare the disability that was identified.

- 8.3% were visually impaired;
- 7.1% declared a hearing impairment;
- 44% identified having a mobility disability;
- 7.1% declared a learning disability;
- 2.4% had communication difficulty;
- 22.6% had a hidden disability; and
- 32.1% preferred not to say
- 13.1% stated they identified as having another disability

31% of our claims are within a disabled scheme, and 41.4% of respondents to the consultation considered themselves to have a disability.

<p>In addition to the on line public consultation a face to face meeting was held with partners to seek their feedback.</p> <p>The session was attended by representatives from MIND, South West London Law Centre and The Carer's information service.</p> <p>There were concerns raised regarding the introduction of non-dependant deductions for disabled non-working households as there was a concern that the non-dependant could be the carer for the disabled claimant or partner. And taking a deduction for them would be penalising them for having caring responsibilities.</p> <p>The proposed changes to the scheme have been updated as a direct result of this feedback and we are suggesting that in this scenario no non dependant deductions are taken.</p>		
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For guidance and support with consultation and engagement visit <https://intranet.croydon.gov.uk/working-croydon/communications/consultation-and-engagement/starting-engagement-or-consultation>

3.3 Impact scores

Example

If we are going to reduce parking provision in a particular location, officers will need to assess the equality impact as follows;

1. Determine the Likelihood of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the likelihood of impact score is 2 (likely to impact)
2. Determine the Severity of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the Severity of impact score is also 2 (likely to impact)
3. Calculate the equality impact score using table 4 below and the formula **Likelihood x Severity** and record it in table 5, for the purpose of this example - **Likelihood (2) x Severity (2) = 4**

Table 4 – Equality Impact Score

Severity of Impact	3	3	6	9
	2	2	4	6
	1	1	2	3
		1	2	3
	Likelihood of Impact			

Key

Risk Index	Risk Magnitude
6 – 9	High
3 – 5	Medium
1 – 3	Low

Table 3 – Impact scores

Column 1 PROTECTED GROUP	Column 2 LIKELIHOOD OF IMPACT SCORE Use the key below to score the likelihood of the proposed change impacting each of the protected groups, by inserting either 1, 2, or 3 against each protected group. 1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact	Column 3 SEVERITY OF IMPACT SCORE Use the key below to score the severity of impact of the proposed change on each of the protected groups, by inserting either 1, 2, or 3 against each protected group. 1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact	Column 4 EQUALITY IMPACT SCORE Calculate the equality impact score for each protected group by multiplying scores in column 2 by scores in column 3. Enter the results below against each protected group. Equality impact score = likelihood of impact score x severity of impact score.
Age	3	2	6
Disability	3	2	6
Gender	3	2	6
Gender reassignment	3	2	6
Marriage / Civil Partnership	3	2	6
Race	3	2	6
Religion or belief	3	2	6
Sexual Orientation	3	2	6
Pregnancy or Maternity	3	2	6

4. Statutory duties

4.1 Public Sector Duties

Tick the relevant box(es) to indicate whether the proposed change will adversely impact the Council's ability to meet any of the Public Sector Duties in the Equality Act 2010 set out below.

Advancing equality of opportunity between people who belong to protected groups

Eliminating unlawful discrimination, harassment and victimisation

Fostering good relations between people who belong to protected characteristic groups

Important note: If the proposed change adversely impacts the Council's ability to meet any of the Public Sector Duties set out above, mitigating actions must be outlined in the Action Plan in section 5 below.

5. Action Plan to mitigate negative impacts of proposed change

Important note: Describe what alternatives have been considered and/or what actions will be taken to remove or minimise any potential negative impact identified in Table 1. Attach evidence or provide link to appropriate data, reports, etc:

Table 4 – Action Plan to mitigate negative impacts

Complete this table to show any negative impacts identified for service users and/or staff from protected groups, and planned actions mitigate them.				
Protected characteristic	Negative impact	Mitigating action(s)	Action owner	Date for completion
Disability	Introduction of non-dependent deductions for disabled not working claims	Excluding any non-dependents who are receiving careers allowance for the claimant or partner A hardship fund is available for those effected by the changes to		Full Cabinet in January 2023

Equality Analysis

		support with the reduction in support.		
Race	Changing the percentage by which the income bands are increased which will affect all working age claims	<p>A hardship fund is available for those effected by the changes to support with the reduction in benefit. It will help to provide transitional support to bridge the gap between residents old and new entitlement.</p> <p>The income bands used in the assessment for Council Tax Support will increase by the same rate as council tax increases to ensure that entitlement goes up by the same rate.</p>		
Sex (gender)	Changing the percentage by which the income bands are increased which will affect all working age claims			
Gender reassignment	Changing the percentage by which the income bands are increased which will affect all working age claims			
Sexual orientation	Changing the percentage by which the income bands are increased which will affect all working age claims			
Age	Changing the percentage by which the income bands are increased which will affect all working age claims			
Religion or belief	Changing the percentage by which the income bands are increased which will affect all working age claims			
Pregnancy or maternity	Changing the percentage by which the income bands are			

Page 333

	increased which will affect all working age claims			
Marriage/civil partnership	Changing the percentage by which the income bands are increased which will affect all working age claims			

6. Decision on the proposed change

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Based on the information outlined in this Equality Analysis enter **X** in column 3 (**Conclusion**) alongside the relevant statement to show your conclusion.

Decision	Definition	Conclusion - Mark 'X' below
No major change	Our analysis demonstrates that the policy is robust. The evidence shows no potential for discrimination and we have taken all opportunities to advance equality and foster good relations, subject to continuing monitoring and review. If you reach this conclusion, state your reasons and briefly outline the evidence used to support your decision.	
Adjust the proposed change	We will take steps to lessen the impact of the proposed change should it adversely impact the Council's ability to meet any of the Public Sector Duties set out under section 4 above, remove barriers or better promote equality. We are going to take action to ensure these opportunities are realised. If you reach this conclusion, you must outline the actions you will take in Action Plan in section 5 of the Equality Analysis form A need to make amendments to the scheme was identified following consultation. Mitigation via a hardship fund has been made available to support those affected the most by the changes.	X
Continue the proposed change	We will adopt or continue with the change, despite potential for adverse impact or opportunities to lessen the impact of discrimination, harassment or victimisation and better advance equality and foster good relations between groups through the change. However, we are not planning to implement them as we are satisfied that our project will not lead to unlawful discrimination and there are justifiable reasons to continue as planned. If you reach this conclusion, you should clearly set out the justifications for doing this and it must be in line with the duty to have due regard and how you reached this decision.	

Equality Analysis

	Although some of the changes will directly effect a protected group – namely those with disabilities. Additional allowances have been made to ensure they are not adversely effected. Such as not applying the deduction where the non-dependant is getting carers allowance	
Stop or amend the proposed change	Our change would have adverse effects on one or more protected groups that are not justified and cannot be mitigated. Our proposed change must be stopped or amended.	
Will this decision be considered at a scheduled meeting? e.g. Contracts and Commissioning Board (CCB) / Cabinet	Meeting title: Cabinet Date: 26 th January 2023	

7. Sign-Off

Officers that must approve this decision	
Equalities Lead	Name: Denise McCausland Date:10/1/23 Position: Equalities Programme Manager
Director	Name: Jane West Date: 13/01/2023 Position: Corporate Director of Resources (Section 151 Officer)

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LONDON BOROUGH OF CROYDON

REPORT:	CABINET	
DATE OF DECISION	22 February 2023	
REPORT TITLE:	Fees & Charges	
CORPORATE DIRECTOR / DIRECTOR:	Jane West Corporate Director of Resources and Section 151 officer	
LEAD OFFICER:	Jane West Corporate Director of Resources and Section 151 officer	
LEAD MEMBER:	Councillor Jason Cummings Cabinet Member for Finance	
AUTHORITY TO TAKE DECISION:		
KEY DECISION?	No	REASON: N/A
CONTAINS EXEMPT INFORMATION?	NO	Public
WARDS AFFECTED:	All	

1 SUMMARY OF REPORT

This report requests approval by Cabinet to changes in fees and charges that are made in respect of supplies and services supplied by the Council to the extent that these fall within the authority of the Executive to determine. Cabinet should be aware that many regulatory functions have statutory fees which are set or are required to be considered by the relevant regulatory committees as they are precluded from being executive functions.

2 RECOMMENDATIONS

The Executive Mayor in Cabinet is recommended to:

- 2.1 Have due regard to the equalities impact assessment in Appendix 2 in making the decisions set out in these recommendations.
- 2.2 Approve the fees and charges as set out in Appendix 1 to the extent that they fall within the authority of the Executive to determine.

3. BACKGROUND AND DETAILS

- 3.1 The Council provides a wide range of services to residents and businesses. For some of these the Council is entitled to make a charge. For others it is not permitted to do so. Reasons for making a charge include:
- There is a statutory charge — for example, planning fees and licensing fees.
 - It is the Council's policy to recover its costs in relation to the discretionary or incidental provision of goods or services provided so that they are not funded by the council taxpayer.
 - It may be the Council's policy to partially subsidise a service to encourage take-up (e.g. sports) or to support a policy objective (e.g. bulky waste collections to reduce fly tipping).
 - There is an existing market that would be distorted if the Council did not charge the market rate — for example, trade refuse collection — although charges are still subject to the cost recovery basis set out in statute.
- 3.2 Like other businesses, the Council's costs are affected by demand and supply factors such as inflation. It is good practice for the Council to review its charging policies and the level of charges annually to ensure that they stay relevant and reflect the Council's underlying costs.
- 3.3 The Council is required to ensure that, taking one year with another, the income from charges does not exceed the costs of provision as this would be contrary to the statutory basis which permits the Council to charge in relation to discretionary or incidental services.

METHODOLOGY

- 3.4 This review was carried out by updating the list of fees and charges from the last full review, which was carried out in 2022/23. The updated list is attached at Appendix 1. This list does not represent the full range of fees and charges but only those for which a proposal to increase has been received and a Cabinet decision is required.
- 3.5 Cabinet will be aware that many regulatory functions have statutory fees which are set or are required to be considered by the relevant regulatory committees as they are precluded from being Executive functions.
- 3.6 The decision was taken to treat parking charges separately, and they are excluded from this review. Property rental income is also excluded. Licensing and regulatory related fees are non-executive functions and are reserved for consideration by non-executive committees of the Council. There are also officer delegations in place from the relevant regulatory committees in relation to certain highways charges (skip licences, scaffolding licences etc) and although considered as part of the review are not presented in this report for decision as they are non-executive functions.
- 3.7 In relation to fees and charges which relate to non-executive functions, separate approvals will be sought from the relevant Committees, or officers.

PRINCIPLES

3.8 The following principles have been applied in developing charging policies and setting recommended price levels:

- Charging policy will be one of the following:

Charging Policy	Description
Statutory	The price or price formula is determined by the government
Full cost recovery	The price is set to fully recover direct costs and overheads of the services or goods provided
Subsidised	The price is set at a level below full cost recovery for policy reasons
Market price	The price is determined by the market (although the council is constrained to a maximum of full cost recovery)

- Charging policies should be reviewed and the level of income maximised in each case within the statutory and policy constraints.
- All new opportunities to charge for Council goods and services should be identified and put into effect.
- It is recognised that some prices are statutory and cannot be changed. Consideration should be given to whether the volume of sales could be influenced to increase or decrease in each case to improve the overall position.
- Full cost recovery means that the price should factor in direct costs, indirect costs such as management, training etc., and central overheads such as HR and Legal. Where this has not been the case the price will be adjusted accordingly.
- Pricing structures should be simple. Requirement for complex calculation or costing should be removed wherever possible.
- Charges should be 'price pointed' — i.e. rounded to a figure that is easy to remember for customers and to administer. This reflects private sector practice and meets customer expectations.
- There should be transparency concerning charges and the reason for any subsidy. Standard fees and charges should be published on the Council's web site.
- Fees and charges should be collected in advance or at point of sale wherever possible. The Council should not offer credit terms (i.e. issue a 30 day invoice

after the service has been provided) unless this is required by law or there is a competitive market that operates on that basis.

4 ALTERNATIVE OPTIONS CONSIDERED

N/A

5 CONSULTATION

None

6. CONTRIBUTION TO COUNCIL PRIORITIES

Fees & Charges aligns with the Mayor's core outcome of balancing the Council's books.

7. IMPLICATIONS

7.1 FINANCIAL IMPLICATIONS

7.1.1 Income from fees and charges is subject to risk in relation to other national and local demand factors (e.g. the buoyancy of the local economy) as well as supply factors such as the level of cost inflation.

7.1.2 The budget proposals for 23/24 reflect a prudent view on the level of income the Councils Fees & Charges will generate.

Approved by: Alan Layton, Interim Head of Service, Finance on behalf of Corporate Director of Resources.

7.2 LEGAL IMPLICATIONS

7.2.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Legal Services that where the relevant statute sets out a fee or charge for the service in question, the Council does not have a discretion to alter that and nothing within this report will permit such a change.

7.2.2 Where the Council is providing a statutory service which the Council is mandated to provide or which the Council has a duty to provide, this is not subject to an authority to charge unless this is set out in the relevant statute and accordingly such matters are not covered by this report or any associated charging policy.

7.2.3 There are specific powers to charge for services detailed throughout local government legislation, for example section 19 of the Local Government (Miscellaneous Provisions) Act 1976 permits charging for the use of leisure and recreational facilities and section 38 of the 1976 Act permits entering into agreements with other persons to make full use of local authority computers and equipment. However, specific powers are usually subject to parameters which the Council is required to adhere to in charging for such matters.

- 7.2.4 The Local Government Act 2003 ("the 2003 Act") introduced a general power to charge for the provision of any discretionary service. The discretionary charging powers do not apply to services which an authority is mandated or has a duty to provide. However, councils can charge for discretionary services (that is, services they have power to provide but are not obliged or have a duty to provide by law). In order to do so, the recipient of the discretionary service must have agreed in advance, to pay for the provision of such services. The 2003 Act power cannot be used where charging is prohibited or where another specific charging regime applies. Charging is limited to cost recovery and statutory guidance outlines how costs and charges should be established. In setting the proposed fees, the Council is required to have regard to this guidance.
- 7.2.5 The Council may be able to rely on the subsidiary powers under Section 111 of the Local Government Act 1972 to charge for a service on the basis that this is "incidental" to its statutory function of providing that service. However, this power cannot be used to "raise money", and therefore it could only be relied upon to cover the costs of the service provided.
- 7.2.7 In relation to utilisation of the general power of competence in the Localism Act 2011 ("LA 2011"), these charging provisions follow, very closely, the requirements of the 2003 Act to allow local authorities to charge up to full cost recovery for discretionary services. These provisions operate alongside rather than replace the Local Government Act 2003 powers.
- 7.2.8 The power to charge under the LA 2011 is subject to a duty to secure that, taking one financial year with another, the income from charges does not exceed the costs of provision. As with the 2003 Act powers, charging for things done in exercise of the general power of competence is not a power to make a profit from those activities.
- 7.2.9 In relation to fees pertaining to Allotments, the Council must ensure that the relevant statutory provisions pertaining to the Allotment Acts are complied with, in particular in relation to Section 10 of the Allotments Act 1950. The provisions of Section 10 must be taken into account, and the Council must also carry out some kind of valuation exercise.
- 7.2.10 With regard to the Edited Electoral Register the Council must ensure that the provisions of the Representation of the People (England & Wales) Regulations 2001 - which set out, among other matters, the fees which may be charged regarding the edited register - are complied with.
- 7.2.11 Finally, where the introduction of new/altered fees or charges requires consultation and/or engagement with affected users to have been undertaken prior to the proposed changes, officers will need to have satisfied themselves that the appropriate actions have been taken prior to bringing forward these proposals for Members' consideration. Where notice or publication of changes to charges is required in respect of any fees/charges under specific legislative or common law requirements, officers will ensure that the appropriate notices have been published in accordance with the relevant requirements.

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

7.3 EQUALITIES IMPLICATIONS

- 7.3.1 Under the Public Sector Equality Duty of the Equality Act 2010, decision makers must evidence consideration of any potential impacts of proposals on groups who share the protected characteristics, before decisions are taken. This includes any decisions relating to how authorities act as employers; how they develop, evaluate and review policies; how they design, deliver and evaluate services, and also how they commission and procure services from others.
- 7.3.2 Section 149 of the Act requires public bodies to have due regard to the need to:
- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
 - advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
 - foster good relations between people who share a protected characteristic and people who do not share it.
- 7.3.3 Protected characteristics defined by law include race and ethnicity, disability, sex, gender reassignment, age, sexual orientation, pregnancy and maternity, and religion or belief.
- 7.3.4 Having due regard means there is a requirement to consciously address the three tenets of the Equality Duty within decision-making processes. By law, assessments must contain sufficient information to enable the local authority to show it has paid 'due regard' to the equalities duties; and identified methods for mitigating or avoiding adverse impact on people sharing protected characteristics. Where a decision is likely to result in detrimental impact on any group with a protected characteristic it must be justified objectively.
- 7.3.5 Like many local authorities, Croydon Council utilises Equality Impact Assessments (EQIA) to have due regard to the requirements of the Equality Act. An EQIA has been completed for the proposed changes in fees and charges and is attached to this report.
- 7.3.6 In summary, the EQIA has identified that whilst some of the changes may have an impact, this impact is considered to be minimal. The proposed changes are, in almost every case, below the inflation rate of 10.7% in Nov 2022 often significantly below the inflation level. The EQIA also recognises that the wider economic context, with inflation at historically high levels, may impact residents.
- 7.3.7 Although the impact of changes to the Council fees and charges is considered to be low, the EQIA outlines a number of mitigations that the Council has in place to support residents with fees and charges, many of which provide a positive benefit to protected characteristic groups. A selection of examples from the full EQIA include:-
- There are discounted rates for all leisure centre activities for Croydon residents with disabilities. If a disabled person needs a carer with them in order to access leisure centre services, the carer is entitled to free entry.

- Croydon Council Leisure Centres offer discounted rates for residents Seniors 60+ years and Juniors 4-15 years
- Croydon Council Money Advice Service for advice on paying your bills and debt worries. All advice is independent and confidential.

7.3.8 It should be noted that there are a small number of fees and charges that the council is the sole provider for. It is not possible for residents to access services from an alternative commercial supplier. It should also be noted that one household may be affected through paying several fees for a range of services and/or have multiple protected characteristics within the household.

7.3.9 As set out elsewhere in the report, the change in fees and charges contributes to the Council's budget for delivering service to residents. If these are not increased the resulting financial pressures could lead to service reductions which could impact on residents more than the proposed fee changes.

7.3.10 Finally, the EQIA highlights the importance of service departments collecting and using data on their service users to identify the impact on protected characteristic groups. This is an area for improvement and a project is underway with the support of the Head of Profession for Data interpretation, business analytics and insight and the Equalities Manager, reporting to the Corporate Management Team and the Equality, Diversity & Inclusion Board.

Approved by: Gavin Handford, Director of Policy, Programmes & Performance

8. APPENDICES

Appendix 1 : Fees & Charges Schedule

Appendix 2: EQIA

9. BACKGROUND DOCUMENTS

None

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Department	Service	Fee or Charge Description	Credit Policy	2022-23 Charges (£)	% Increase on 2022/23	2023-24 Proposed Charges (£)
Sustainable Communities, Regeneration & Economic Recovery	Housing Enforcement	Charge for Home Office Inspections (ex VAT)	Not Applicable	180.00	0.0%	180.00
Sustainable Communities, Regeneration & Economic Recovery	Housing Enforcement	Charge for Housing Act Notice (ex VAT) - For first notice (£450 for 1st notice + additional £100 for each hazard)	Not Applicable	450.00	0.0%	450.00
Sustainable Communities, Regeneration & Economic Recovery	Housing Enforcement	Charge for Housing Act Notice (ex VAT) - For subsequent notices (£450 for 1st notice + additional £100 for each hazard)	Not Applicable	450.00	0.0%	450.00
Sustainable Communities, Regeneration & Economic Recovery	Housing Enforcement	Charge for Housing Act Notice (ex VAT) - For hazard awareness notices	Not Applicable	150.00	0.0%	150.00
Sustainable Communities, Regeneration & Economic Recovery	Housing Enforcement	Charge for Housing Act Notice (ex VAT) - To review suspended notices	Not Applicable	250.00	0.0%	250.00
Sustainable Communities, Regeneration & Economic Recovery	Housing Enforcement	Charge for Housing Act Notice (ex VAT) - Maximum per property	Not Applicable	1000.00	0.0%	1000.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	Commercial Recycling Fees - Glass:240 Euro Bin - 1 to 4 bins (per bin)	Not Applicable	21.00	0.0%	21.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	Commercial Recycling Fees - Glass:240 Euro Bin - 5 or more bins (per bin)	Not Applicable	21.00	0.0%	21.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	Bin Hire - Annual Charge 240 Euro Bin	Not Applicable	81.00	0.0%	81.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	Bin Hire - Annual Charge 360 Euro Bin	Not Applicable	86.00	0.0%	86.00

Sustainable Communities, Regeneration & Economic Recovery	Waste Management	Bin Hire - Annual Charge Paladin	Not Applicable	167.00	0.0%	167.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	Bin Hire - Annual Charge 660 Euro Bin	Not Applicable	177.00	0.0%	177.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	Bin Hire - Annual Charge 1100 Euro Bin	Not Applicable	199.00	0.0%	199.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	Bin Hire - Annual Charge Chamberlain	Not Applicable	167.00	0.0%	167.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Fishing - Per Rod - Adults (per day)	Paid In Advance	7.01	0.0%	7.01
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Fishing - Per Rod - Juniors (under 17) / 60+ . Disabled (per day)	Paid In Advance	5.75	0.0%	5.75
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Fishing - Per Rod - Adult Season Ticket	Paid In Advance	99.05	0.0%	99.05
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Fishing - Per Rod - Junior Season Ticket	Paid In Advance	65.91	0.0%	65.91
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Fishing - Per Rod - 60+ Season Ticket	Paid In Advance	33.46	0.0%	33.46
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Bowls - Casual Play per hour - Adults	Not Applicable	5.00	0.0%	5.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Bowls - Casual Play per hour - Juniors (under 17) / 60+ . Disabled	Not Applicable	4.05	0.0%	4.05
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Bowls - Whole Season Tickets - Adults	Not Applicable	135.00	0.0%	135.00

Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Bowls - Whole Season Tickets - Juniors (under 17)	Not Applicable		45.50	0.0%	45.50
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Bowls - Whole Season Tickets - 60+	Not Applicable		89.55	0.0%	89.55
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Bowls - Whole Season Tickets - Disabled / Blind bowlers	Not Applicable		22.75	0.0%	22.75
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Netball - Per Hour Without dressing accommodation	Paid In Advance		16.07	0.0%	16.07
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Netball - Per Hour - Block booking per game (Min 10 games)	Paid In Advance		12.84	0.0%	12.84
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Netball - Per Hour - Little League (per 3 hour period)	Paid In Advance		23.46	0.0%	23.46
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Football Seniors - Local Clubs - Per individual match	Paid In Advance		56.99	0.0%	56.99
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Football Seniors - Local Clubs - Block booking per game (minimum 10 games)	Paid In Advance		49.84	0.0%	49.84
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Football Seniors - Local Clubs - Shower facilities	Paid In Advance		26.31	0.0%	26.31
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Football Seniors - Other Clubs - Per individual match	Paid In Advance		77.80	0.0%	77.80

Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Football Seniors - Other Clubs - Block booking per game (minimum 10 games)	Paid In Advance	72.61	0.0%	72.61
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Football Seniors - Other Clubs - Shower facilities	Paid In Advance	26.31	0.0%	26.31
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Football Juniors (under 17) - Local Clubs - Per individual match	Paid In Advance	25.23	0.0%	25.23
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Football Juniors (under 17) - Local Clubs - Block booking per game (minimum 10 games)	Paid In Advance	22.84	0.0%	22.84
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Football Juniors (under 17) - Local Clubs - Shower facilities	Paid In Advance	12.97	0.0%	12.97
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Football Juniors (under 17) - Local Clubs - Mini Soccer 7-a-side	Paid In Advance	15.31	0.0%	15.31
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Football Juniors (under 17) - Other Clubs - Mini Soccer 7-a-side	Paid In Advance	22.65	0.0%	22.65
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Little League Football - Per pitch (3 hours)	Paid In Advance	40.23	0.0%	40.23
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Football Leagues (Seasonal) - Senior Football	Paid In Advance	42.69	0.0%	42.69

Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Football Leagues (Seasonal) - Shower Facilities	Paid In Advance	17.39	0.0%	17.39
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Football Leagues (Seasonal) - Junior Football	Paid In Advance	19.48	0.0%	19.48
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Football Leagues (Seasonal) - Shower Facilities	Paid In Advance	12.97	0.0%	12.97
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Other Team Sports i.e. rugby, korfbal, lacross, baseball, rounders, hockey, etc are charged at the rates equivalent to Senior Football	Paid In Advance	56.99	0.0%	56.99
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - American Football is charged at double the equivalent rate for other team sports	Paid In Advance	113.98	0.0%	113.98
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Cricket Seniors - Local Clubs - Per individual match	Paid In Advance	75.79	0.0%	75.79
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Cricket Seniors - Local Clubs - Block booking per game (minimum 10 games)	Paid In Advance	64.40	0.0%	64.40
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Cricket Seniors - Local Clubs - Shower facilities	Paid In Advance	23.59	0.0%	23.59

Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Cricket Seniors - Other Clubs - Per individual match	Paid In Advance	93.17	0.0%	93.17
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Cricket Seniors - Other Clubs - Block booking per game (minimum 10 games)	Paid In Advance	78.48	0.0%	78.48
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Cricket Seniors - Other Clubs - Shower facilities	Paid In Advance	23.59	0.0%	23.59
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	SPORTS CHARGES - Cricket Juniors - per match	Paid In Advance	18.48	0.0%	18.48
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	COMMERCIAL EVENTS - Hire of ground per day e.g fairground, circus, corporate events etc.. Up to 500 people	Paid In Advance	616.55	0.0%	617.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	COMMERCIAL EVENTS - Hire of ground per day e.g fairground, circus, corporate events etc.. 501-1000 people	Paid In Advance	1148.40	0.0%	1148.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	COMMERCIAL EVENTS - Hire of ground per day e.g fairground, circus, corporate events etc.. 1001-2500 people	Paid In Advance	6281.00	0.0%	6281.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	COMMERCIAL EVENTS - Hire of ground per day e.g fairground, circus, corporate events etc.. 2501-4000 people	Paid In Advance	7822.10	0.0%	7822.00

Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	COMMERCIAL EVENTS - Hire of ground per day e.g fairground, circus, corporate events etc.. 4001-6000 people	Paid In Advance	Negotiable based on cost recovery	0%	Negotiable based on cost recovery
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	COMMERCIAL EVENTS - Hire of ground per day e.g fairground, circus, corporate events etc.. 6000+ people	Paid In Advance	Negotiable based on cost recovery	0%	Negotiable based on cost recovery
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	COMMERCIAL EVENTS - Site inspection	Paid In Advance	294.84	0.0%	295.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	CHARITY EVENTS - Hire of ground per day e.g fairground, circus, corporate events etc.. Up to 500 people	Paid In Advance	169.40	0.0%	169.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	CHARITY EVENTS - Hire of ground per day e.g fairground, circus, corporate events etc.. 501-1000 people	Paid In Advance	251.90	0.0%	252.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	CHARITY EVENTS - Hire of ground per day e.g fairground, circus, corporate events etc.. 1001-2500 people	Paid In Advance	622.60	0.0%	623.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	CHARITY EVENTS - Hire of ground per day e.g fairground, circus, corporate events etc.. 2501-4000 people	Paid In Advance	774.40	0.0%	774.00

Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	CHARITY EVENTS - Hire of ground per day e.g fairground, circus, corporate events etc.. 4001-6000 people	Paid In Advance	957.55	0.0%	958.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	CHARITY EVENTS - Hire of ground per day e.g fairground, circus, corporate events etc.. 6000+ people	Paid In Advance	Negotiable	0.0%	Negotiable
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Fun Fair Fees Up to 10 rides - Hire fee per day	Paid In Advance	737.10	0.0%	737.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Fun Fair Fees Up to 10 rides - admin fee	Paid In Advance	62.95	0.0%	63.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Fun Fair Fees Up to 10 rides - Application Fee	Paid In Advance	165.00	0.0%	165.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Fun Fair Fees Up to 10 rides - non-operational day	Paid In Advance	368.55	0.0%	369.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Fun Fair Fees Up to 10 rides - (when part of a charity event) Hire Fee per day	Paid In Advance	335.68	0.0%	336.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Fun Fair Fees Up to 15 rides - Hire fee per day	Paid In Advance	850.50	0.0%	851.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Fun Fair Fees Up to 15 rides - admin fee	Paid In Advance	62.97	0.0%	63.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Fun Fair Fees Up to 15 rides - Application Fee	Paid In Advance	165.00	0.0%	165.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Fun Fair Fees Up to 15 rides - non-operational day	Paid In Advance	425.25	0.0%	425.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Fun Fair Fees Up to 15 rides - (when part of a charity event) Hire Fee per day	Paid In Advance	335.68	0.0%	336.00

Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Fun Fair Fees 15+ rides - Hire fee per day	Paid In Advance	963.90	0.0%	964.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Fun Fair Fees 15+ rides - admin fee	Paid In Advance	62.97	0.0%	63.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Fun Fair Fees 15+ rides - Application Fee	Paid In Advance	165.00	0.0%	165.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Fun Fair Fees 15+ rides - non-operational day	Paid In Advance	481.95	0.0%	482.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Fun Fair Fees 15+ rides - (when part of a charity event) Hire Fee per day	Paid In Advance	335.68	0.0%	336.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Fun Fair Fees - Site inspection (per occasion)	Paid In Advance	294.84	0.0%	295.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Photography Session (per hour)	Paid In Advance	38.00	10.7%	42.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	FRIENDS OF GROUPS EVENTS - Hire of ground per day	Paid In Advance	44.00	10.7%	49.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	FRIENDS OF GROUPS EVENTS - Pavilion Hire	Paid In Advance	121.17	0.0%	121.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Toilets for events - Extra Small and small - Ground Deposit	Paid In Advance	77.55	0.0%	78.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Toilets for events - Medium	Paid In Advance	225.22	0.0%	225.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Toilets for events - Large	Paid In Advance	230.45	0.0%	230.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Toilets for events - Extra Large	Paid In Advance	0.00	0.0%	0.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Allotments - No VAT - effective 1st October 2011 - Whole plot 250 M2	Not Applicable	87.75	0.0%	88.00
Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Allotments - No VAT - effective 1st October 2011 - Half plot 125 M2	Not Applicable	43.87	0.0%	44.00

Sustainable Communities, Regeneration & Economic Recovery	Sports & Greenspaces	Allotments - No VAT - effective 1st October 2011 - Quarter plot 62.5 M2	Not Applicable	21.93	0.0%	22.00
Sustainable Communities, Regeneration & Economic Recovery	Planning	ADOPTED DEVELOPMENT PLAN DOCUMENTS (Large) E.G. UNITARY DEVELOPMENT PLAN, Conservation area appraisals. ALL DOCUMENTS ARE AVAILABLE ON CROYDON COUNCIL'S WEBSITE. THESE FEES ARE FOR PRINTING, POSTAGE AND PACKAGING OF A SPECIFIC DOCUMENT	Not Applicable	120.00	25.0%	150.00
Sustainable Communities, Regeneration & Economic Recovery	Planning	ADOPTED SUPPLEMENTARY PLANNING DOCUMENTS (Large) e.g. Masterplans ALL DOCUMENTS ARE AVAILABLE ON CROYDON COUNCIL'S WEBSITE. THESE FEES ARE FOR PRINTING, POSTAGE AND PACKAGING OF A SPECIFIC DOCUMENTS	Not Applicable	48.00	25.0%	60.00
Sustainable Communities, Regeneration & Economic Recovery	Planning	ADOPTED SUPPLEMENTARY PLANNING DOCUMENTS (Small) e.g. PGN1	Not Applicable	12.00	25.0%	15.00
Sustainable Communities, Regeneration & Economic Recovery	Planning	Householder, Small Scale Development Service - Service LevelA - plus VAT	Not Applicable	0.00	0.0%	320.00

Sustainable Communities, Regeneration & Economic Recovery	Planning	PRE APPLICATION MEETING SERVICE FEES - Service Level B * plus VAT	Not Applicable	1000.00	25.0%	1250.00
Sustainable Communities, Regeneration & Economic Recovery	Planning	PRE APPLICATION MEETING SERVICE FEES - Service Level C * plus VAT	Not Applicable	2000.00	25.0%	2500.00
Sustainable Communities, Regeneration & Economic Recovery	Planning	PRE APPLICATION MEETING SERVICE FEES - Service Level D * plus VAT	Not Applicable	3500.00	25.0%	4375.00
Sustainable Communities, Regeneration & Economic Recovery	Planning	PRE APPLICATION MEETING SERVICE FEES - Service Level F (Specialist Services - Trees) * plus VAT	Not Applicable	200.00	25.0%	250.00
Sustainable Communities, Regeneration & Economic Recovery	Planning	PRE APPLICATION MEETING SERVICE FEES - Service Level G (Specialist Services - Heritage) * plus VAT	Not Applicable	500.00	25.0%	625.00
Sustainable Communities, Regeneration & Economic Recovery	Planning	Planning Performance Agreement Inception Meeting Fees Plus VAT Inception Meeting	Not Applicable	4500.00	25.0%	5625.00
Sustainable Communities, Regeneration & Economic Recovery	Planning	Planning Performance Meeting Plus VAT Subsequent Meetings	Not Applicable	2000.00	25.0%	2500.00
Sustainable Communities, Regeneration & Economic Recovery	Planning	Planning Performance Agreement Plus VAT Planning Committee Presentations	Not Applicable	3000.00	25.0%	3750.00
Sustainable Communities, Regeneration & Economic Recovery	Planning	PLANNING ENQUIRIES LETTER £30.64	Not Applicable	30.64	10.0%	33.70

Sustainable Communities, Regeneration & Economic Recovery	Planning	PLANNING ENQUIRIES LETTER INVOLVING HISTORY RESEARCH £56.17	Not Applicable	56.17	10.0%	61.78
Sustainable Communities, Regeneration & Economic Recovery	Planning	COPY OF A DECISION NOTICE OR AN APPEAL DECISION NOTICE £10.21	Not Applicable	10.21	10.0%	11.23
Sustainable Communities, Regeneration & Economic Recovery	Planning	COPY OF A PLAN - A3 OR A4 £2.04	Not Applicable	2.15	10.0%	2.24
Sustainable Communities, Regeneration & Economic Recovery	Planning	COPY OF A PLAN - A2 AND ABOVE £9.49	Not Applicable	9.49	10.0%	10.48
Sustainable Communities, Regeneration & Economic Recovery	Planning	COPY OF A TREE PRESERVATION ORDER £32.68	Not Applicable	32.68	10.0%	35.94
Sustainable Communities, Regeneration & Economic Recovery	Planning	COPY OF SECTION 106 AGREEMENT £32.68	Not Applicable	32.68	10.0%	35.95
Sustainable Communities, Regeneration & Economic Recovery	Planning	COPY OF ENFORCEMENT NOTICE £32.68	Not Applicable	32.68	10.0%	35.98
Sustainable Communities, Regeneration & Economic Recovery	Planning	CONTAMINATED LAND HISTORICAL SITE INVESTIGATIONS	Not Applicable	50.00	10.0%	55.00
Sustainable Communities, Regeneration & Economic Recovery	Planning	HOURLY (OR PART THEREOF) CHARGE FOR RESEARCH	Not Applicable	40.00	10.0%	44.00
Sustainable Communities, Regeneration & Economic Recovery	Planning	PHOTOCOPYING FIRST PAGE	Not Applicable	2.00	10.0%	2.20
Sustainable Communities, Regeneration & Economic Recovery	Planning	SECOND AND SUBSEQUENT PAGES	Not Applicable	0.20	10.0%	0.22

Sustainable Communities, Regeneration & Economic Recovery	Building Control	Full Plans Application INSPECTION FEES TYPE 1 Erection or extension of a detached or attached building which consists of a garage or car port or both, having a floor area not exceeding 40m ² in total and intended to be used in common with an existing building and which is not an 'exempt building'.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	210.00	0	4356
Sustainable Communities, Regeneration & Economic Recovery	Building Control	Full Plans Application INSPECTION FEES TYPE 2 Erection or extension of a detached or attached building which consists of a garage or car port or both, having a floor area exceeding 40m ² but not exceeding 60m ² in total and intended to be used in common with an existing building.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	300.00	0	300
Sustainable Communities, Regeneration & Economic Recovery	Building Control	Full Plans Application INSPECTION FEES TYPE 3 Single Storey extension of a dwelling, the total area of which does not exceed 10m ² including means of access and work in connection with that extension.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	300.00	0	300

Sustainable Communities, Regeneration & Economic Recovery	Building Control	Full Plans Application INSPECTION FEES TYPE 4 Single Storey Extension OR Loft Conversion to a dwelling the total floor area of which exceeds 10m2 but does not exceed 60m2 including means of access and work in connection with that extension.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	360.00	0	360
Sustainable Communities, Regeneration & Economic Recovery	Building Control	Full Plans Application INSPECTION FEES TYPE 5 Two Storey extension OR Single Storey extension and a Loft Conversion to a dwelling the total floor area of which exceeds 10m2 but does not exceed 60m2 including means of access and work in connection with that extension.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	410.00	0	410
Sustainable Communities, Regeneration & Economic Recovery	Building Control	Full Plans Application INSPECTION FEES TYPE 6 Any other combination of Extension and/or Loft Conversion which does not exceed 100m2 including means of access and work in connection with that extension.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	540.00	0	540

Sustainable Communities, Regeneration & Economic Recovery	Building Control	(CERTAIN SMALL BUILDING & DOMESTIC EXTENSION) BUILDING NOTICE APPLICATION FEES TYPE 1 Erection or extension of a detached or attached building which consists of a garage or car port or both, having a floor area not exceeding 40m ² in total and intended to be used in common with an existing building and which is not an 'exempt building'.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	370.00	0%	370.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	(CERTAIN SMALL BUILDING & DOMESTIC EXTENSION) BUILDING NOTICE APPLICATION FEES TYPE 2 Erection or extension of a detached or attached building which consists of a garage or car port or both, having a floor area exceeding 40m ² but not exceeding 60m ² in total and intended to be used in common with an existing building.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	460.00	0%	460.00

Sustainable Communities, Regeneration & Economic Recovery	Building Control	(CERTAIN SMALL BUILDING & DOMESTIC EXTENSION) BUILDING NOTICE APPLICATION FEES TYPE 3 Single Storey extension of a dwelling, the total area of which does not exceed 10m2 including means of access and work in connection with that extension.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	460.00	0%	460.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	(CERTAIN SMALL BUILDING & DOMESTIC EXTENSION) BUILDING NOTICE APPLICATION FEES TYPE 4 Single Storey Extension OR Loft Conversion to a dwelling the total floor area of which exceeds 10m2 but does not exceed 60m2 including means of access and work in connection with that extension.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	600.00	0%	600.00

Sustainable Communities, Regeneration & Economic Recovery	Building Control	(CERTAIN SMALL BUILDING & DOMESTIC EXTENSION) BUILDING NOTICE APPLICATION FEES TYPE 5 Two Storey extension OR Single Storey extension and a Loft Conversion to a dwelling the total floor area of which exceeds 10m2 but does not exceed 60m2 including means of access and work in connection with that extension.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	750.00	0%	750.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	(CERTAIN SMALL BUILDING & DOMESTIC EXTENSION) BUILDING NOTICE APPLICATION FEES TYPE 6 Any other combination of Extension and/or Loft Conversion which does not exceed 100m2 including means of access and work in connection with that extension.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	940.00	0%	940.00

Sustainable Communities, Regeneration & Economic Recovery	Building Control	(CERTAIN SMALL BUILDING & DOMESTIC EXTENSION) FULL PLANS APPLICATION PLAN FEE TYPE 1 Erection or extension of a detached or attached building which consists of a garage or car port or both, having a floor area not exceeding 40m ² in total and intended to be used in common with an existing building and which is not an 'exempt building'.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	160.00	0%	160.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	(CERTAIN SMALL BUILDING & DOMESTIC EXTENSION) FULL PLANS APPLICATION PLAN FEE TYPE 2 Erection or extension of a detached or attached building which consists of a garage or car port or both, having a floor area exceeding 40m ² but not exceeding 60m ² in total and intended to be used in common with an existing building.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	160.00	0%	160.00

Sustainable Communities, Regeneration & Economic Recovery	Building Control	(CERTAIN SMALL BUILDING & DOMESTIC EXTENSION) FULL PLANS APPLICATION PLAN FEE TYPE 3 Single Storey extension of a dwelling, the total area of which does not exceed 10m2 including means of access and work in connection with that extension.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	160.00	0%	160.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	(CERTAIN SMALL BUILDING & DOMESTIC EXTENSION) FULL PLANS APPLICATION PLAN FEE TYPE 4 Single Storey Extension OR Loft Conversion to a dwelling the total floor area of which exceeds 10m2 but does not exceed 60m2 including means of access and work in connection with that extension.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	240.00	0%	240.00

Sustainable Communities, Regeneration & Economic Recovery	Building Control	(CERTAIN SMALL BUILDING & DOMESTIC EXTENSION) FULL PLANS APPLICATION PLAN FEE TYPE 5 Two Storey extension OR Single Storey extension and a Loft Conversion to a dwelling the total floor area of which exceeds 10m2 but does not exceed 60m2 including means of access and work in connection with that extension.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	340.00	0%	340.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	(CERTAIN SMALL BUILDING & DOMESTIC EXTENSION) FULL PLANS APPLICATION PLAN FEE TYPE 6 Any other combination of Extension and/or Loft Conversion which does not exceed 100m2 including means of access and work in connection with that extension.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	400.00	0%	400.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - INSPECTION FEE UNDER 300M SQ AND UP TO 3 STOREYS - 1 DWELLING -	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	560.00	0%	560.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - INSPECTION FEE UNDER 300M SQ AND UP TO 3 STOREYS - 2 DWELLINGS -	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	730.00	0%	730.00

Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - INSPECTION FEE UNDER 300M SQ AND UP TO 3 STOREYS - 3 DWELLINGS -	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	870.00	0%	870.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - INSPECTION FEE UNDER 300M SQ AND UP TO 3 STOREYS - 4 DWELLINGS -	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	1100.00	0%	1100.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - INSPECTION FEE UNDER 300M SQ AND UP TO 3 STOREYS - 5 DWELLINGS -	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	1270.00	0%	1270.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - INSPECTION FEE UNDER 300M SQ AND UP TO 3 STOREYS - 6 DWELLINGS -	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	1500.00	0%	1500.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - INSPECTION FEE UNDER 300M SQ AND UP TO 3 STOREYS - 7 DWELLINGS -	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	1680.00	0%	1680.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - INSPECTION FEE UNDER 300M SQ AND UP TO 3 STOREYS - 8 DWELLINGS -	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	1850.00	0%	1850.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - INSPECTION FEE UNDER 300M SQ AND UP TO 3 STOREYS - 9 DWELLINGS -	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	2230.00	0%	2230.00

Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - INSPECTION FEE UNDER 300M SQ AND UP TO 3 STOREYS - 10 DWELLINGS -	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	2400.00	0%	2400.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - INSPECTION FEE UNDER 300M SQ AND UP TO 3 STOREYS - 11 DWELLINGS -	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	2570.00	0%	2570.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - INSPECTION FEE UNDER 300M SQ AND UP TO 3 STOREYS - 12 DWELLINGS -	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	2890.00	0%	2890.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - INSPECTION FEE UNDER 300M SQ AND UP TO 3 STOREYS - 13 DWELLINGS -	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	3060.00	0%	3060.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - INSPECTION FEE UNDER 300M SQ AND UP TO 3 STOREYS - 14 DWELLINGS -	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	3240.00	0%	3240.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - INSPECTION FEE UNDER 300M SQ AND UP TO 3 STOREYS - 15 DWELLINGS -	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	3410.00	0%	3410.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - INSPECTION FEE UNDER 300M SQ AND UP TO 3 STOREYS - 16 DWELLINGS -	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	3580.00	0%	3580.00

Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - INSPECTION FEE UNDER 300M SQ AND UP TO 3 STOREYS - 17 DWELLINGS -	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	3760.00	0%	3760.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - INSPECTION FEE UNDER 300M SQ AND UP TO 3 STOREYS - 18 DWELLINGS -	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	3930.00	0%	3930.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - INSPECTION FEE UNDER 300M SQ AND UP TO 3 STOREYS - 19 DWELLINGS -	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	4100.00	0%	4100.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - INSPECTION FEE UNDER 300M SQ AND UP TO 3 STOREYS - 20 DWELLINGS -	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	4280.00	0%	4280.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - INSPECTION FEE UNDER 300M SQ AND UP TO 3 STOREYS -21 dwellings and over - can be obtained by telephone	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	0.00	0%	
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - Plan Fee - UNDER 300 M SQ AND UP TO 3 STOREYS - 1 DWELLING	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	340.00	0%	340.00

Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - Plan Fee - UNDER 300 M SQ AND UP TO 3 STOREYS - 2 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	340.00	0%	340.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - Plan Fee - UNDER 300 M SQ AND UP TO 3 STOREYS - 3 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	480.00	0%	480.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - Plan Fee - UNDER 300 M SQ AND UP TO 3 STOREYS - 4 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	480.00	0%	480.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - Plan Fee - UNDER 300 M SQ AND UP TO 3 STOREYS - 5 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	480.00	0%	480.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - Plan Fee - UNDER 300 M SQ AND UP TO 3 STOREYS - 6 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	480.00	0%	480.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - Plan Fee - UNDER 300 M SQ AND UP TO 3 STOREYS - 7 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	480.00	0%	480.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - Plan Fee - UNDER 300 M SQ AND UP TO 3 STOREYS - 8 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	480.00	0%	480.00

Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - Plan Fee - UNDER 300 M SQ AND UP TO 3 STOREYS - 9 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	670.00	0%	670.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - Plan Fee - UNDER 300 M SQ AND UP TO 3 STOREYS - 10 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	670.00	0%	670.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - Plan Fee - UNDER 300 M SQ AND UP TO 3 STOREYS - 11 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	670.00	0%	670.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - Plan Fee - UNDER 300 M SQ AND UP TO 3 STOREYS - 12 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	670.00	0%	670.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - Plan Fee - UNDER 300 M SQ AND UP TO 3 STOREYS - 13 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	670.00	0%	670.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - Plan Fee - UNDER 300 M SQ AND UP TO 3 STOREYS - 14 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	670.00	0%	670.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - Plan Fee - UNDER 300 M SQ AND UP TO 3 STOREYS - 15 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	670.00	0%	670.00

Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - Plan Fee - UNDER 300 M SQ AND UP TO 3 STOREYS - 16 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	670.00	0%	670.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - Plan Fee - UNDER 300 M SQ AND UP TO 3 STOREYS - 17 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	670.00	0%	670.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - Plan Fee - UNDER 300 M SQ AND UP TO 3 STOREYS - 18 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	670.00	0%	670.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - Plan Fee - UNDER 300 M SQ AND UP TO 3 STOREYS - 19 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	670.00	0%	670.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - Plan Fee - UNDER 300 M SQ AND UP TO 3 STOREYS - 20 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	670.00	0%	670.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	NEW DOMESTIC DWELLINGS - Plan Fee - UNDER 300 M SQ AND UP TO 3 STOREYS - 21 dwellings and over - can be obtained by telephone	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	0.00	0%	
Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - FULL PLANS APPLICATION - SITE INSPECTION FEE - £5001 - 10000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	270.00	0%	270.00

Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - FULL PLANS APPLICATION - SITE INSPECTION FEE - £10001 - 20000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	390.00	0%	390.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - FULL PLANS APPLICATION - SITE INSPECTION FEE - £20001 - 40000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	450.00	0%	450.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	SITE INSPECTION FEE - OTHER WORKS OTHER WORKS - FULL PLANS APPLICATION - SITE INSPECTION FEE - £40001 - 60000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	540.00	0%	540.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - FULL PLANS APPLICATION - SITE INSPECTION FEE - £60001 - 80000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	570.00	0%	570.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - FULL PLANS APPLICATION - SITE INSPECTION FEE - £80001 - 100000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	660.00	0%	660.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - FULL PLANS APPLICATION - SITE INSPECTION FEE - - Fees for over £100,000 can be obtained by telephone, as the formula changes with every £10,000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	0.00	0%	

Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - FULL PLANS APPLICATION - PLAN FEE - £0-1000 (Includes Inspection Fee)	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	180.00	0%	180.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - FULL PLANS APPLICATION - PLAN FEE - £1001 - 5000 (Includes Inspection Fee)	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	370.00	0%	370.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - FULL PLANS APPLICATION - PLAN FEE - £5001 - 10000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	200.00	0%	200.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - FULL PLANS APPLICATION - PLAN FEE - £10001 - 20000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	290.00	0%	290.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - FULL PLANS APPLICATION - PLAN FEE - £20001 - 40000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	340.00	0%	340.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - FULL PLANS APPLICATION - PLAN FEE - £40001 - 60000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	400.00	0%	400.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - FULL PLANS APPLICATION - PLAN FEE - £60001 -80000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	430.00	0%	430.00

Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - FULL PLANS APPLICATION - PLAN FEE - £80001 -100000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	490.00	0%	490.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - BUILDING NOTICE FEE - £0-1000 (Includes Inspection Fee)	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	180.00	0%	180.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - BUILDING NOTICE FEE - £1001 -5000 (Includes Inspection Fee)	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	370.00	0%	370.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - BUILDING NOTICE FEE - £5001 - 10000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	470.00	0%	470.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - BUILDING NOTICE FEE - £10001 - 20000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	680.00	0%	680.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - BUILDING NOTICE FEE - £20001 - 40000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	790.00	0%	790.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - BUILDING NOTICE FEE - £40001 - 60000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	940.00	0%	940.00

Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - BUILDING NOTICE FEE - £60001 -80000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	1000.00	0%	1000.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - BUILDING NOTICE FEE - £80001 -100000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	1150.00	0%	1150.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	OTHER WORKS - BUILDING NOTICE FEE - Fees for over £100,000 can be obtained by telephone, as the formula changes with every £10,000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	0.00	0%	
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (NEW DOMESTIC DWELLINGS) UNDER 300M SQ AND UP TO 3 STOREYS - 1 DWELLING	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	1080.00	0%	1080.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (NEW DOMESTIC DWELLINGS) UNDER 300M SQ AND UP TO 3 STOREYS - 2 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	1284.00	0%	1284.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (NEW DOMESTIC DWELLINGS) UNDER 300M SQ AND UP TO 3 STOREYS - 3 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	1620.00	0%	1620.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (NEW DOMESTIC DWELLINGS) UNDER 300M SQ AND UP TO 3 STOREYS - 4 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	1896.00	0%	1896.00

Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (NEW DOMESTIC DWELLINGS) UNDER 300M SQ AND UP TO 3 STOREYS - 5 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	2100.00	0%	2100.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (NEW DOMESTIC DWELLINGS) UNDER 300M SQ AND UP TO 3 STOREYS - 6 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	2376.00	0%	2376.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (NEW DOMESTIC DWELLINGS) UNDER 300M SQ AND UP TO 3 STOREYS - 7 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	2592.00	0%	2592.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (NEW DOMESTIC DWELLINGS) UNDER 300M SQ AND UP TO 3 STOREYS - 8 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	2796.00	0%	2796.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (NEW DOMESTIC DWELLINGS) UNDER 300M SQ AND UP TO 3 STOREYS - 9 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	3480.00	0%	3480.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (NEW DOMESTIC DWELLINGS) UNDER 300M SQ AND UP TO 3 STOREYS - 10 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	3684.00	0%	3684.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (NEW DOMESTIC DWELLINGS) UNDER 300M SQ AND UP TO 3 STOREYS - 11 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	3888.00	0%	3888.00

Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (NEW DOMESTIC DWELLINGS) UNDER 300M SQ AND UP TO 3 STOREYS - 12 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	4264.00	0%	4264.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (NEW DOMESTIC DWELLINGS) UNDER 300M SQ AND UP TO 3 STOREYS - 13 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	4476.00	0%	4476.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (NEW DOMESTIC DWELLINGS) UNDER 300M SQ AND UP TO 3 STOREYS - 14 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	4692.00	0%	4692.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (NEW DOMESTIC DWELLINGS) UNDER 300M SQ AND UP TO 3 STOREYS - 15 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	4896.00	0%	4896.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (NEW DOMESTIC DWELLINGS) UNDER 300M SQ AND UP TO 3 STOREYS - 16 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	5100.00	0%	5100.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (NEW DOMESTIC DWELLINGS) UNDER 300M SQ AND UP TO 3 STOREYS - 17 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	5316.00	0%	5316.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (NEW DOMESTIC DWELLINGS) UNDER 300M SQ AND UP TO 3 STOREYS - 18 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	5520.00	0%	5520.00

Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (NEW DOMESTIC DWELLINGS) UNDER 300M SQ AND UP TO 3 STOREYS- 19 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	5724.00	0%	5724.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (NEW DOMESTIC DWELLINGS) UNDER 300M SQ AND UP TO 3 STOREYS - 20 DWELLINGS	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	5940.00	0%	5940.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (NEW DOMESTIC DWELLINGS) UNDER 300M SQ AND UP TO 3 STOREYS - 21 dwellings and over - can be obtained by telephone	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	0.00	0%	
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (CERTAIN SMALL BUILDING & DOMESTIC EXTENSION) TYPE 1 Erection or extension of a detached or attached building which consists of a garage or car port or both, having a floor area not exceeding 40m ² in total and intended to be used in common with an existing building and which is not an 'exempt building'.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	444.00	0%	444.00

Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (CERTAIN SMALL BUILDING & DOMESTIC EXTENSION) TYPE 2 Erection or extension of a detached or attached building which consists of a garage or car port or both, having a floor area exceeding 40m ² but not exceeding 60m ² in total and intended to be used in common with an existing building.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	552.00	0%	552.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (CERTAIN SMALL BUILDING & DOMESTIC EXTENSION) TYPE 3 Erection or extension of a detached or attached building which consists of a garage or car port or both, having a floor area exceeding 40m ² but not exceeding 60m ² in total and intended to be used in common with an existing building.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	552.00	0%	552.00

Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (CERTAIN SMALL BUILDING & DOMESTIC EXTENSION) TYPE 4 Single Storey Extension OR Loft Conversion to a dwelling the total floor area of which exceeds 10m2 but does not exceed 60m2 including means of access and work in connection with that extension.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	720.00	0%	720.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (CERTAIN SMALL BUILDING & DOMESTIC EXTENSION) TYPE 5 Two Storey extension OR Single Storey extension and a Loft Conversion to a dwelling the total floor area of which exceeds 10m2 but does not exceed 60m2 including means of access and work in connection with that extension.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	900.00	0%	900.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (CERTAIN SMALL BUILDING & DOMESTIC EXTENSION) TYPE 6 Any other combination of Extension and/or Loft Conversion which does not exceed 100m2 including means of access and work in connection with that extension.	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	1128.00	0%	1128.00

Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (OTHER WORK) £0 - 1000 (Includes Inspection Fee)	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	216.00	0%	216.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (OTHER WORK) £1001 - 5000 (Includes Inspection Fee)	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	444.00	0%	444.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (OTHER WORK) £5001 - 10000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	564.00	0%	564.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (OTHER WORK) £10001 - 20000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	816.00	0%	816.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (OTHER WORK) £20001 - 40000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	948.00	0%	948.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (OTHER WORK) £40001 - 60000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	1128.00	0%	1128.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (OTHER WORK) £60001 - 80000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	1200.00	0%	1200.00

Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (OTHER WORK) £80001 - £100000	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	1380.00	0%	1380.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	REGULARISATION (OTHER WORK) - For Fees over £100,000 please telephone 020 8760 5637	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	0.00	0%	
Sustainable Communities, Regeneration & Economic Recovery	Building Control	Building Notice/Full Plans - Fixed Fee Items - Installation of Solar PV or Solar HW (or similar) & VAT	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	216.00	0%	216.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	Building Notice/Full Plans - Fixed Fee Items - Installation of a Consumer Unit & VAT	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	216.00	0%	216.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	Building Notice/Full Plans - Fixed Fee Items - Installation of Double Glazed Units	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	216.00	0%	216.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	Building Notice/Full Plans - Fixed Fee Items - Installation of Boiler/Unvented - HW Cylinder (or similar) & VAT	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	216.00	0%	216.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	Building Notice/Full Plans - Fixed Fee Items - Minor Electrical Works & VAT	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	216.00	0%	216.00

Sustainable Communities, Regeneration & Economic Recovery	Building Control	Building Notice/Full Plans - Fixed Fee Items - External thermal Upgrade	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	288.00	0%	288.00
Sustainable Communities, Regeneration & Economic Recovery	Building Control	Building Notice/Full Plans - Fixed Fee Items - Domestic Re-Roofing < £10,000 & VAT	Payment on application - client has choice of payment up front, or to be invoiced (depending on application)	288.00	0%	288.00
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	ERECTION OF DWELLING HOUSES (OUTLINE APPLICATIONS) IF SITE AREA DOES NOT EXCEED 2.5 HECTARES, £462 FOR EACH 0.1 HECTARE OF THE SITE AREA	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	ERECTION OF DWELLING HOUSES (OUTLINE APPLICATIONS) IF SITE AREA EXCEEDS 2.5 HECTARES, £11,432 + £138 FOR EACH 0.1 HECTARE IN EXCESS OF 2.5 HECTARES, SUBJECT TO A MAXIMUM OF £150,000	Payment on application			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	ERECTION OF DWELLING HOUSES IN OTHER CASES - FULL APPLICATIONS WHERE THE NUMBER OF DWELLINGHOUSES TO BE CREATED BY THE DEVELOPMENT IS 50 OR FEWER, £462 FOR EACH DWELLINGHOUSE	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	ERECTION OF DWELLING HOUSES IN OTHER CASES - FULL APPLICATIONS WHERE THE NUMBER OF DWELLING HOUSES TO BE CREATED BY THE DEVELOPMENT EXCEEDS 50, £22,859, AND AN ADDITIONAL £138 FOR EACH DWELLINGHOUSE IN EXCESS OF 50 DWELLINGHOUSES, SUBJECT TO A MAXIMUM IN TOTAL OF £300,000.	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	THE ERECTION OF BUILDINGS (OTHER) WHERE THE APPLICATION IS FOR OUTLINE PLANNING PERMISSION AND-THE SITE AREA DOES NOT EXCEED 2.5 HECTARES, £462 FOR EACH 0.1 HECTARE OF THE SITE AREA	Payment on application			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	THE ERECTION OF BUILDINGS (OTHER) WHERE THE APPLICATION IS FOR OUTLINE PLANNING PERMISSION AND-IF SITE AREA EXCEEDS 2.5 HECTARES, £11,432.00 + £138 FOR EACH 0.1 HECTARE IN EXCESS OF 2.5 HECTARES, SUBJECT TO A MAXIMUM IN TOTAL OF £150,000	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	WHERE THERE IS NO INCREASE IN FLOOR SPACE TO BE CREATED BY THE DEVELOPMENT £234.00	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	WHERE THE AREA OF GROSS FLOOR SPACE TO BE CREATED BY THE DEVELOPMENT IS NO MORE THAN 40 SQ METRES £234	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	WHERE THE AREA OF GROSS FLOOR SPACE TO BE CREATED BY THE DEVELOPMENT EXCEEDS 40 SQ METRES BUT DOES NOT EXCEED 75 SQ METRES, £462	Payment on application			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	WHERE THE AREA OF GROSS FLOOR SPACE TO BE CREATED BY THE DEVELOPMENT EXCEEDS 75 SQ METRES BUT DOES NOT EXCEED 3750 SQ METRES, £462 FOR EACH 75 SQUARE METRES OR PART THEREOF	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	WHERE THE AREA OF GROSS FLOOR SPACE TO BE CREATED BY THE DEVELOPMENT EXCEEDS 3750 SQ METRES, £22,859, AND AN ADDITIONAL £138 FOR EACH 75 SQ METRES IN EXCESS OF 3750 SQUARE METRES, SUBJECT TO A MAXIMUM IN TOTAL OF £300,000	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	THE ERECTION ON LAND USED FOR THE PURPOSES OF AGRICULTURE, OF BUILDINGS TO BE USED FOR AGRICULTURAL PURPOSES WHERE THE AREA OF GROSS FLOOR SPACE TO BE CREATED BY THE DEVELOPMENT DOES NOT EXCEED 465 SQUARE METRES, £96	Payment on application			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	THE ERECTION ON LAND USED FOR THE PURPOSES OF AGRICULTURE, OF BUILDINGS TO BE USED FOR AGRICULTURAL PURPOSES WHERE THE AREA OF GROSS FLOOR SPACE TO BE CREATED BY THE DEVELOPMENT EXCEEDS 465 SQUARE METRES BUT DOES NOT EXCEED 540 SQUARE METRES, £462.00	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	THE ERECTION ON LAND USED FOR THE PURPOSES OF AGRICULTURE, OF BUILDINGS TO BE USED FOR AGRICULTURAL PURPOSES WHERE THE AREA OF GROSS FLOOR SPACE TO BE CREATED BY THE DEVELOPMENT EXCEEDS 540 SQUARE METRES BUT DOES NOT EXCEED 4215 SQUARE METRES, £462 FOR THE FIRST 540 SQ METRES, AND AN ADDITIONAL £462 FOR EACH	Payment on application			

<p>Sustainable Communities, Regeneration & Economic Recovery</p>	<p>Planning Control</p>	<p>THE ERECTION ON LAND USED FOR THE PURPOSES OF AGRICULTURE, OF BUILDINGS TO BE USED FOR AGRICULTURAL PURPOSES WHERE THE AREA OF GROSS FLOOR SPACE TO BE CREATED BY THE DEVELOPMENT EXCEEDS 4215 SQUARE METERS, £22,859, AND AN ADDITIONAL £138 FOR EACH 75 SQUARE METRES (OR PART THEREOF) IN EXCESS OF 4215 SQUARE METRES.</p>	<p>Payment on application</p>			
<p>Sustainable Communities, Regeneration & Economic Recovery</p>	<p>Planning Control</p>	<p>THE ERECTION OF GLASSHOUSES ON LAND USED FOR THE PURPOSES OF AGRICULTURE WHERE THE AREA OF GROSS FLOOR SPACE TO BE CREATED BY THE DEVELOPMENT DOES NOT EXCEED 465 SQUARE METRES, £96</p>	<p>Payment on application</p>			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	THE ERECTION OF GLASSHOUSES ON LAND USED FOR THE PURPOSES OF AGRICULTURE WHERE THE AREA OF GROSS FLOOR SPACE TO BE CREATED BY THE DEVELOPMENTS EXCEEDS 465 SQUARE METRES, £2,580	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	THE ERECTION, ALTERATION OR REPLACEMENT OF PLANT OR MACHINERY	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	THE ERECTION, ALTERATION OR REPLACEMENT OF PLANT OR MACHINERY WHERE THE SITE AREA DOES NOT EXCEED 5 HECTARES £462 FOR EACH 0.1 HECTARE OF THE SITE AREA OR PART THEREOF	Payment on application			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	THE ERECTION, ALTERATION OR REPLACEMENT OF PLANT OR MACHINERY WHERE THE SITE AREA EXCEEDS 5 HECTARES, £22,859, AND AN ADDITIONAL £138 FOR EACH 0.1 HECTARE (OR PART THEREOF) IN EXCESS OF 5 HECTARES, SUBJECT TO A MAXIMUM OF £300,000	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	THE ENLARGEMENT, IMPROVEMENT OR OTHER ALTERATION OF EXISTING DWELLING HOUSES WHERE THE APPLICATION RELATES TO ONE DWELLING HOUSE, £206	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	THE ENLARGEMENT, IMPROVEMENT OR OTHER ALTERATION OF EXISTING DWELLING HOUSES WHERE THE APPLICATION RELATES TO TWO OR MORE DWELLING HOUSES, £407	Payment on application			

<p>Sustainable Communities, Regeneration & Economic Recovery</p>	<p>Planning Control</p>	<p>THE ENLARGEMENT, IMPROVEMENT OR OTHER ALTERATION OF EXISTING DWELLING HOUSES THE CARRYING OUT OF OPERATIONS(IN CLUDING THE ERECTION OF A BUILDING) WITHIN THE CURTILAGE OF AN EXISTING DWELLING HOUSE FOR PURPOSES ANCILLARY TO THE ENJOYMENT OF THE DWELLING HOUSE AS SUCH, OR THE ERECTION OR CONSTRUCTION</p>	<p>Payment on application</p>			
<p>Sustainable Communities, Regeneration & Economic Recovery</p>	<p>Planning Control</p>	<p>THE CARRYING OUT OF OPERATIONS CONNECTED WITH EXPLORATORY DRILLING FOR OIL OR NATURAL GAS WHERE THE SITE AREA DOES NOT EXCEED 7.5 HECTARES, £508 FOR EACH 0.1 HECTARE OF THE SITE AREA (OR PART THEREOF)</p>	<p>Payment on application</p>			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	THE CARRYING OUT OF OPERATIONS CONNECTED WITH EXPLORATORY DRILLING FOR OIL OR NATURAL GAS WHERE THE SITE AREA EXCEEDS 7.5 HECTARES, £38,070 AND AN ADDITIONAL £151 FOR EACH 0.1 HECTARE (OR PART THEREOF) IN EXCESS OF 7.5 HECTARES, SUBJECT TO A MAXIMUM OF £300,000	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	IN THE CASE OF OPERATIONS FOR THE WINNING AND WORKING OF MINERALS WHERE THE SITE AREA DOES NOT EXCEED 15 HECTARES, £234 FOR EACH 0.1 HECTARE OF THE SITE AREA (OR PART THEREOF)	Payment on application			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	IN THE CASE OF OPERATIONS FOR THE WINNING AND WORKING OF MINERALS WHERE THE SITE EXCEEDS 15 HECTARES, £34,934 AND AN ADDITIONAL £138 FOR EACH 0.1 HECTARE IN EXCESS OF 15 HECTARES, SUBJECT TO A MAXIMUM IN TOTAL OF £78,000	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	IN THE CASE OF OPERATIONS FOR THE WINNING AND WORKING OF OIL OR NATURAL GAS WHERE THE SITE AREA DOES NOT EXCEED 15 HECTARES, £257 FOR EACH 0.1 HECTARE OF THE SITE AREA (OR PART THEREOF)	Payment on application			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	IN THE CASE OF OPERATIONS FOR THE WINNING AND WORKING OF OIL OR NATURAL GAS WHERE THE SITE EXCEEDS 15 HECTARES, £38,520 AND AN ADDITIONAL £151 FOR EACH 0.1 HECTARE IN EXCESS OF 15 HECTARES, SUBJECT TO A MAXIMUM IN TOTAL OF £78,000	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	IN THE CASE OF OPERATIONS FOR THE WINNING AND WORKING OF OIL OR NATURAL GAS IN ANY OTHER CASE, £234 FOR EACH 0.1 HECTARE OF THE SITE AREA (OR PART THEREOF), SUBJECT TO A MAXIMUM OF £2028	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	USES OF LAND - THE CHANGE OF USE OF A BUILDING TO USE AS ONE OR MORE SEPARATE DWELLING HOUSES WHERE THE CHANGE OF USE IS FROM A PREVIOUS USE AS A SINGLE DWELLING HOUSE TO USE AS TWO HOUSES £462.	Payment on application			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	USES OF LAND - THE CHANGE OF USE OF A BUILDING TO USE AS ONE OR MORE SEPARATE DWELLING HOUSES WHERE THE CHANGE OF USE IS FOR NOT MORE THAN 50 DWELLING HOUSES, £462 FOR EACH ONE	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	USES OF LAND - THE CHANGE OF USE OF A BUILDING TO USE AS ONE OR MORE SEPARATE DWELLING HOUSES WHERE THE CHANGE OF USE IS TO USE AS MORE THAN 50 DWELLINGHOUSES £22,859 AND AN ADDITIONAL £138 FOR EACH DWELLINGHOUSE IN EXCESS OF 50 DWELLINGHOUSES, SUBJECT TO A MAXIMUM IN TOTAL OF £300,000	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	USES OF LAND - CAR PARKS, SERVICE ROADS OR OTHER ACCESSES FOR EXISTING USES £234	Payment on application			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	USES OF LAND - THE USE OF LAND FOR THE DISPOSAL OF REFUSE OR WASTE MATERIALS OR FOR THE DEPOSIT OF MATERIAL REMAINING AFTER EXTRACTION OF STORAGE OF MINERALS WHERE THE SITE AREA DOES NOT EXCEED 15 HECTARES, £234 FOR EACH 0.1 HECTARE OF THE SITE AREA (OR PART THEREOF)	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	USES OF LAND - THE USE OF LAND FOR THE DISPOSAL OF REFUSE OR WASTE MATERIALS OR FOR THE DEPOSIT OF MATERIAL REMAINING AFTER EXTRACTION OF STORAGE OF MINERALS WHERE THE SITE AREA EXCEEDS 15 HECTARES, £34,934, AND AN ADDITIONAL £138 FOR EACH 0.1 HECTARE (OR PART THEREOF) IN EXCESS OF 15 HECTARES, SUBJECT TO A	Payment on application			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	USES OF LAND - THE MAKING OF A MATERIAL CHANGE IN THE USE OF A BUILDING OR LAND (OTHER THAN A MATERIAL CHANGE USE COMING WITHIN ANY OF THE ABOVE CATEGORIES) £462	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	APPLICATION FOR REMOVAL OR VARIATION OF CONDITION FOLLOWING GRANT OF PLANNING PERMISSION	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	AN APPLICATION TO DISCHARGE A PLANNING CONDITION - IN THE CASE OF A HOUSEHOLDER	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	AN APPLICATION TO DISCHARGE A PLANNING CONDITION - IN ANY OTHER CASE	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	AN APPLICATION FOR A NON MATERIAL CHANGE TO A PLANNING PERMISSION - IN THE CASE OF A HOUSEHOLDER	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	AN APPLICATION FOR A NON MATERIAL CHANGE TO A PLANNING PERMISSION - IN ANY OTHER CASE	Payment on application			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	GENERAL REGULATIONS 1992 - APPLICATIONS FOR A DETERMINATION AS TO WHETHER THE PRIOR APPROVAL OF THE PLANNING AUTHORITY WILL BE REQUIRED - AGRICULTURAL AND FORESTRY BUILDINGS & OPERATIONS	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	GENERAL REGULATIONS 1992 - APPLICATIONS FOR A DETERMINATION AS TO WHETHER THE PRIOR APPROVAL OF THE PLANNING AUTHORITY WILL BE REQUIRED - COMMUNICATIONS (PREVIOUSLY REFERRED TO AS TELECOMMUNICATION CODE SYSTEMS OPERATORS)	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	GENERAL REGULATIONS 1992 - APPLICATIONS FOR A DETERMINATION AS TO WHETHER THE PRIOR APPROVAL OF THE PLANNING AUTHORITY WILL BE REQUIRED - PROPOSED CHANGE OF USE TO STATE FUNDED SCHOOL OR REGISTERED NURSERY	Payment on application			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	GENERAL REGULATIONS 1992 - APPLICATIONS FOR A DETERMINATION AS TO WHETHER THE PRIOR APPROVAL OF THE PLANNING AUTHORITY WILL BE REQUIRED - PROPOSED CHANGE OF USE OF AGRICULTURAL BUILDING TO A STATE- FUNDED SCHOOL OR REGISTERED NURSERY	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	GENERAL REGULATIONS 1992 - APPLICATIONS FOR A DETERMINATION AS TO WHETHER THE PRIOR APPROVAL OF THE PLANNING AUTHORITY WILL BE REQUIRED - PROPOSED CHANGE OF USE OF AGRICULTURAL BUILDING TO A FLEXIBLE USE WITHIN SHOPS, FINANCIAL AND PROFESSIONAL SERVICES, RESTAURANTS/ CAFES, BUSINESS, STORAGE AND DISTRIBUTION.	Payment on application			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	GENERAL REGULATIONS 1992 - APPLICATIONS FOR A DETERMINATION AS TO WHETHER THE PRIOR APPROVAL OF THE PLANNING AUTHORITY WILL BE REQUIRED - PROPOSED CHANGE OF USE OF A BUILDING FROM OFFICE (USE CLASS B1) TO A USE FALLING WITHIN USE CLASS C3 (DWELLINGHOUSE)	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	GENERAL REGULATIONS 1992 - APPLICATIONS FOR A DETERMINATION AS TO WHETHER THE PRIOR APPROVAL OF THE PLANNING AUTHORITY WILL BE REQUIRED - PROPOSED CHANGE OF USE OF AGRICULTURAL BUILDING TO A STATE DWELLINGHOUSE (USE CLASS C3) WHERE THERE ARE NO ASSOCIATED BUILDING OPERATIONS	Payment on application			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	GENERAL REGULATIONS 1992 - APPLICATIONS FOR A DETERMINATION AS TO WHETHER THE PRIOR APPROVAL OF THE PLANNING AUTHORITY WILL BE REQUIRED - PROPOSED CHANGE OF USE OF AGRICULTURAL BUILDING TO A STATE DWELLINGHOUSE (USE CLASS C3) AND ASSOCIATED BUILDING OPERATIONS	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	GENERAL REGULATIONS 1992 - APPLICATIONS FOR A DETERMINATION AS TO WHETHER THE PRIOR APPROVAL OF THE PLANNING AUTHORITY WILL BE REQUIRED - PROPOSED CHANGE OF USE OF A BUILDING FROM A RETAIL (USE CLASS A1 OR A2) USE OR A MIXED RETAIL AND RESIDENTIAL USE TO A USE FALLING WITHIN USE CLASS C3 (DWELLINGHOUSE) WHERE THERE ARE NO	Payment on application			

<p>Sustainable Communities, Regeneration & Economic Recovery</p>	<p>Planning Control</p>	<p>GENERAL REGULATIONS 1992 - APPLICATIONS FOR A DETERMINATION AS TO WHETHER THE PRIOR APPROVAL OF THE PLANNING AUTHORITY WILL BE REQUIRED - PROPOSED CHANGE OF USE OF A BUILDING FROM A RETAIL (USE CLASS A1 OR A2) USE OR A MIXED RETAIL AND RESIDENTIAL USE TO A USE FALLING WITHIN USE CLASS C3 (DWELLINGHOUSE) AND ASSOCIATED</p>	<p>Payment on application</p>			
<p>Sustainable Communities, Regeneration & Economic Recovery</p>	<p>Planning Control</p>	<p>GENERAL REGULATIONS 1992 - APPLICATIONS FOR A DETERMINATION AS TO WHETHER THE PRIOR APPROVAL OF THE PLANNING AUTHORITY WILL BE REQUIRED - NOTIFICATION FOR PRIOR APPROVAL FOR A CHANGE OF USE FROM STORAGE AND DISTRIBUTION BUILDING (CLASS B8) AND ANY LAND WITHIN ITS CURTILAGE TO DWELLINGHOUSES (CLASS C3)</p>	<p>Payment on application</p>			

<p>Sustainable Communities, Regeneration & Economic Recovery</p>	<p>Planning Control</p>	<p>GENERAL REGULATIONS 1992 - APPLICATIONS FOR A DETERMINATION AS TO WHETHER THE PRIOR APPROVAL OF THE PLANNING AUTHORITY WILL BE REQUIRED - NOTIFICATION FOR PRIOR APPROVAL FOR A CHANGE OF USE FROM AMUSEMENT ARCADES/CENTRES AND CASINOS (SUI GENERIS USES) AND ANY LAND WITHIN ITS CURTILAGE TO DWELLINGHOUSES (CLASS C3)</p>	<p>Payment on application</p>			
<p>Sustainable Communities, Regeneration & Economic Recovery</p>	<p>Planning Control</p>	<p>GENERAL REGULATIONS 1992 - APPLICATIONS FOR A DETERMINATION AS TO WHETHER THE PRIOR APPROVAL OF THE PLANNING AUTHORITY WILL BE REQUIRED - NOTIFICATION FOR PRIOR APPROVAL FOR A CHANGE OF USE FROM AMUSEMENT ARCADES/CENTRES AND CASINOS (SUI GENERIS USES) AND ANY LAND WITHIN ITS CURTILAGE TO DWELLINGHOUSES (CLASS C3)</p>	<p>Payment on application</p>			

<p>Sustainable Communities, Regeneration & Economic Recovery</p>	<p>Planning Control</p>	<p>GENERAL REGULATIONS 1992 - APPLICATIONS FOR A DETERMINATION AS TO WHETHER THE PRIOR APPROVAL OF THE PLANNING AUTHORITY WILL BE REQUIRED - NOTIFICATION FOR PRIOR APPROVAL FOR A CHANGE OF USE FROM SHOPS (CLASS A1), FINANCIAL AND PROFESSIONAL SERVICES (CLASS A2), BETTING OFFICES, PAY DAY LOAN SHOPS AND</p>	<p>Payment on application</p>			
<p>Sustainable Communities, Regeneration & Economic Recovery</p>	<p>Planning Control</p>	<p>GENERAL REGULATIONS 1992 - APPLICATIONS FOR A DETERMINATION AS TO WHETHER THE PRIOR APPROVAL OF THE PLANNING AUTHORITY WILL BE REQUIRED - NOTIFICATION FOR PRIOR APPROVAL FOR A CHANGE OF USE FROM SHOPS (CLASS A1), FINANCIAL AND PROFESSIONAL SERVICES (CLASS A2), BETTING OFFICES, PAY DAY LOAN SHOPS AND</p>	<p>Payment on application</p>			

<p>Sustainable Communities, Regeneration & Economic Recovery</p>	<p>Planning Control</p>	<p>GENERAL REGULATIONS 1992 - APPLICATIONS FOR A DETERMINATION AS TO WHETHER THE PRIOR APPROVAL OF THE PLANNING AUTHORITY WILL BE REQUIRED - NOTIFICATION FOR PRIOR APPROVAL FOR A CHANGE OF USE FROM SHOPS (CLASS A1), FINANCIAL AND PROFESSIONAL SERVICES (CLASS A2), BETTING OFFICES, PAY DAY LOAN SHOPS (SUI</p>	<p>Payment on application</p>			
<p>Sustainable Communities, Regeneration & Economic Recovery</p>	<p>Planning Control</p>	<p>GENERAL REGULATIONS 1992 - APPLICATIONS FOR A DETERMINATION AS TO WHETHER THE PRIOR APPROVAL OF THE PLANNING AUTHORITY WILL BE REQUIRED - NOTIFICATION OF PRIOR APPROVAL FOR A DEVELOPMENT CONSISTING OF THE ERECTION OR CONSTRUCTION OF A COLLECTION FACILITY WITHIN THE CURTILAGE OF A SHOP</p>	<p>Payment on application</p>			

<p>Sustainable Communities, Regeneration & Economic Recovery</p>	<p>Planning Control</p>	<p>GENERAL REGULATIONS 1992 - APPLICATIONS FOR A DETERMINATION AS TO WHETHER THE PRIOR APPROVAL OF THE PLANNING AUTHORITY WILL BE REQUIRED - NOTIFICATION FOR THE PRIOR APPROVAL FOR THE TEMPORARY USE OF BUILDINGS OR LAND FOR THE PURPOSE OF COMMERCIAL FILM-MAKING AND THE ASSOCIATED TEMPORARY STRUCTURES.</p>	<p>Payment on application</p>			
<p>Sustainable Communities, Regeneration & Economic Recovery</p>	<p>Planning Control</p>	<p>GENERAL REGULATIONS 1992 - APPLICATIONS FOR A DETERMINATION AS TO WHETHER THE PRIOR APPROVAL OF THE PLANNING AUTHORITY WILL BE REQUIRED - NOTIFICATION FOR THE PRIOR APPROVAL FOR THE INSTALLATION, ALTERATION, REPLACEMENT OF OTHER SOLAR PHOTOVOLTAIC S (PV) EQUIPMENT ON THE ROOFS OF NON-DOMESTIC BUILDINGS. UP</p>	<p>Payment on application</p>			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	GENERAL REGULATIONS 1992 - APPLICATIONS FOR A DETERMINATION AS TO WHETHER THE PRIOR APPROVAL OF THE PLANNING AUTHORITY WILL BE REQUIRED - DEMOLITION OF BUILDINGS	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	APPLICATIONS FOR CONSENT TO DISPLAY ADVERTISEMENTS - ADVERTISEMENTS DISPLAYED ON BUSINESS PREMISES, ON THE FORECOURT OF BUSINESS PREMISES, ON THE FORECOURT OF BUSINESS PREMISES OR ON OTHER LAND WITHIN THE CURTILAGE OF BUSINESS PREMISES, WHOLLY WITH REFERENCE TO ALL OR ANY OF THE FOLLOWING MATTERS - THE NATURE OF THE	Payment on application			

<p>Sustainable Communities, Regeneration & Economic Recovery</p>	<p>Planning Control</p>	<p>APPLICATIONS FOR CONSENT TO DISPLAY ADVERTISEMENTS - ADVERTISEMENTS DISPLAYED ON BUSINESS PREMISES, ON THE FORECOURT OF BUSINESS PREMISES, ON THE FORECOURT OF BUSINESS PREMISES OR ON OTHER LAND WITHIN THE CURTILAGE OF BUSINESS PREMISES, WHOLLY WITH REFERENCE TO ALL OR ANY OF THE FOLLOWING MATTERS - ADVANCED</p>	<p>Payment on application</p>			
<p>Sustainable Communities, Regeneration & Economic Recovery</p>	<p>Planning Control</p>	<p>APPLICATIONS FOR CONSENT TO DISPLAY ADVERTISEMENTS - ADVERTISEMENTS DISPLAYED ON BUSINESS PREMISES, ON THE FORECOURT OF BUSINESS PREMISES, ON THE FORECOURT OF BUSINESS PREMISES OR ON OTHER LAND WITHIN THE CURTILAGE OF BUSINESS PREMISES, WHOLLY WITH REFERENCE TO ALL OR ANY OF THE FOLLOWING MATTERS - ALL OTHER</p>	<p>Payment on application</p>			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	APPLICATIONS FOR CONSENT TO DISPLAY ADVERTISEMENTS - ADVERTISEMENTS DISPLAYED ON BUSINESS PREMISES, ON THE FORECOURT OF BUSINESS PREMISES, ON THE FORECOURT OF BUSINESS PREMISES OR ON OTHER LAND WITHIN THE CURTILAGE OF BUSINESS PREMISES, WHOLLY WITH REFERENCE TO ALL OR ANY OF THE FOLLOWING MATTERS - APPLICATION	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	APPLICATIONS FOR LAWFUL DEVELOPMENT CERTIFICATES - APPLICATIONS UNDER SECTION 191(1)A AND/OR B - EXISTING USE OR OPERATION - SAME FEE AS A FULL APPLICATION	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	APPLICATIONS FOR LAWFUL DEVELOPMENT CERTIFICATES UNDER SECTION 191(1) C - EXISTING USE OR OPERATION - LAWFUL NOT TO COMPLY WITH ANY CONDITION OR LIMITATION £234	Payment on application			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	LDC (PROPOSED) - APPLICATIONS UNDER SECTION 192: HALF THE AMOUNT THAT WOULD BE PAYABLE IN RESPECT OF A FULL APPLICATION	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	CONCESSIONARY FEES AND EXEMPTIONS - WORKS TO IMPROVE THE DISABLED PERSONS ACCESS TO A PUBLIC BUILDING	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	CONCESSIONARY FEES AND EXEMPTIONS - WORKS TO A DWELLINGHOUSE TO PROVIDE ACCESS, GREATER SAFETY, HEALTH OR COMFORT FOR A DISABLED PERSON RESIDENT THERE	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	CONCESSIONARY FEES AND EXEMPTIONS - APPLICATIONS RELATING TO PLAYING FIELDS BY NON-PROFIT MAKING SPORTS CLUBS FOR WORKS FOR PLAYING FIELDS NOT INVOLVING BUILDINGS £462	Payment on application			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	CONCESSIONAR Y FEES AND EXEMPTIONS - REVISED OR FRESH APPLICATIONS FOR DEVELOPMENT FOR THE FIRST REVISION OF THE SAME CHARACTER OR DESCRIPTION ON THE SAME SITE BY THE SAME APPLICANT WITHIN 12 MONTHS OF REFUSAL, OR IN THE CASE OF A WITHDRAWN APPLICATION, OR FOR AN APPLICATION WHERE AN APPEAL WAS MADE ON THE	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	CONCESSIONAR Y FEES AND EXEMPTIONS - LISTED BUILDING CONSENT	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	CONCESSIONAR Y FEES AND EXEMPTIONS - PLANNING PERMISSION FOR DEMOLITION IN A CONSERVATION AREA	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	CONCESSIONAR Y FEES AND EXEMPTIONS - IF THE APPLICATION RELATES TO CONDITIONS ON AN APPLICATION FOR LISTED BUILDING CONSENT OR DEMOLITION IN A CONSERVATION AREA	Payment on application			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	CONCESSIONAR Y FEES AND EXEMPTIONS - IF THE APPLICATION IS FOR A CERTIFICATE OF LAWFULNESS OF PROPOSED WORKS TO A LISTED BUILDING	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	CONCESSIONAR Y FEES AND EXEMPTIONS - IF THE APPLICATION IS FOR A LAWFUL DEVELOPMENT CERTIFICATE FOR EXISTIING USE, WHERE AN APPLICATION FOR PLANNING PERMISSION FOR THE SAME DEVELOPMENT WOULD BE EXEMPT FROM THE NEED TO PAY A PLANNING FEE UNDER ANY OTHER PLANNING REGULATION	Payment on application			

<p>Sustainable Communities, Regeneration & Economic Recovery</p>	<p>Planning Control</p>	<p>CONCESSIONARY FEES AND EXEMPTIONS - IF THE APPLICATION IS FOR CONSENT TO DISPLAY AN ADVERTISEMENT FOLLOWING EITHER A WITHDRAWAL OF AN EARLIER APPLICATION (BEFORE NOTICE OF DECISION WAS ISSUED) OR WHERE THE APPLICATION IS MADE FOLLOWING REFUSAL OF CONSENT TO DISPLAY AN ADVERTISEMENT, AND WHERE THE APPLICATION IS</p>	<p>Payment on application</p>			
<p>Sustainable Communities, Regeneration & Economic Recovery</p>	<p>Planning Control</p>	<p>CONCESSIONARY FEES AND EXEMPTIONS - IF THE APPLICATION IS FOR CONSENT TO DISPLAY AN ADVERTISEMENT WHICH RESULTS FROM A DIRECTION UNDER REGULATION 7 OF THE 2007 REGULATIONS, DIS-APPLYING DEEMED CONSENT UNDER REGULATION 6 TO THE ADVERTISEMEN T IN QUESTION</p>	<p>Payment on application</p>			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	CONCESSIONARY FEES AND EXEMPTIONS - IF THE APPLICATION IS FOR THE ALTERNATIVE PROPOSALS FOR THE SAME SITE BY THE SAME APPLICANT, IN ORDER TO BENEFIT FROM THE PERMITTED DEVELOPMENT RIGHT IN SCHEDULE 2 PART CLASS V OF THE TOWN AND COUNTRY PLANNING (GENERAL PERMITTED DEVELOPMENT) ORDER 2015 (AS AMENDED)	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	CONCESSIONARY FEES AND EXEMPTIONS - WORKS TO TREES COVERED BY A TREE PRESERVATION ORDER OR IN A CONSERVATION AREA HEDGEROW REMOVAL	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	CONCESSIONARY FEES AND EXEMPTIONS - PRIOR APPROVAL FOR PROPOSED LARGER HOME EXTENSIONS	Payment on application			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	ALTERNATIVE APPLICATIONS FOR ONE SITE SUBMITTED ON THE SAME DATE AND BY OR ON BEHALF OF THE SAME APPLICANT, WHERE THE APPLICATION IS OF LESSER COST THEN THE FEE IS 50%	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	IF TWO OR MORE APPLICATIONS ARE SUBMITTED FOR DIFFERENT PROPOSALS FOR THE SAME SITE ON THE SAME DAY - HIGHEST FEE PLUS HALF THE SUM OF THE OTHERS	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Planning Control	DEVELOPMENT CROSSING PLANNING AUTHORITY BOUNDARIES, REQUIRING SEVERAL APPLICATIONS - ONLY ONE FEE PAID TO THE AUTHORITY HAVING THE LARGEST PART OF SITE BUT THE FEE CALCULATED BY THE PLANNING PORTAL WILL CALCULATE THE FEE AS 150% OF THE FEE THAT WOULD HAVE BEEN PAYABLE IF THERE HAD ONLY BEEN ONE APPLICATION TO ONE AUTHORITY COVERING THE	Payment on application			

Sustainable Communities, Regeneration & Economic Recovery	Planning Control	DEVELOPMENT CROSSING PLANNING AUTHORITY BOUNDARIES, REQUIRING SEVERAL APPLICATIONS - APPLICATIONS FOR RESERVED MATTERS WHERE APPLICANTS HAVE ALREADY PAID THE FULL FEE PAYABLE FOR APPROVAL THEN £462	Payment on application			
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	1100 EURO BIN ADD-ON COLLECTION	Invoiced	27.00	0.0%	27.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	120 EURO BIN ADD-ON COLLECTION	Invoiced	3.00	0.0%	3.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	1280 EURO BIN ADD-ON COLLECTION	Invoiced	23.00	0.0%	23.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	180 EURO BIN ADD-ON COLLECTION	Invoiced	8.00	0.0%	8.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	240 EURO BIN ADD-ON COLLECTION	Invoiced	8.00	0.0%	8.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	360/340 EURO BIN ADD-ON COLLECTION	Invoiced	15.00	0.0%	15.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	660 EURO BIN ADD-ON COLLECTION	Invoiced	16.00	0.0%	16.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	CHAMBERLAIN BIN ADD-ON COLLECTION	Invoiced	23.00	0.0%	23.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	1100 LTR HIRED BIN	Invoiced	199.00	0.0%	199.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	240 LTR EURO BIN HIRE CHARGE	Invoiced	81.00	0.0%	81.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	360/340 LTR EURO BIN HIRE	Invoiced	86.00	0.0%	86.00

Sustainable Communities, Regeneration & Economic Recovery	Waste Management	660 LTR EURO BIN HIRE	Invoiced	177.00	0.0%	177.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	CHAMBERLAIN BIN HIRE	Invoiced	167.00	0.0%	167.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	PALADIN BIN HIRE	Invoiced	167.00	0.0%	167.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	BIN DELIVERY CHARGE	Invoiced	26.00	0.0%	26.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	CADDY DELIVERY CHARGE	Invoiced	6.00	0.0%	6.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	BIN REMOVAL CHARGE	Invoiced	26.00	0.0%	26.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	CADDY REMOVAL CHARGE	Invoiced	6.00	0.0%	6.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	CHARGE FOR POSTAGE OF INVOICE	Invoiced	2.00	0.0%	2.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	9L FOOD WASTE CADDY	Invoiced	8.00	0.0%	8.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	23L FOOD WASTE BIN	Invoiced	10.00	0.0%	10.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	SALE OF 1280L CO-MINGLED RECYCLING BIN	Invoiced	366.00	0.0%	366.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	SALE OF 140L FOOD WASTE BIN	Invoiced	105.00	0.0%	105.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	SALE OF 180L LANDFILL BIN	Invoiced	42.00	0.0%	42.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	SALE OF 240L RECYCLING BIN	Invoiced	21.00	0.0%	21.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	SALE OF 240L FOOD WASTE BIN	Invoiced	298.00	0.0%	298.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	SALE OF 240L LANDFILL BIN	Invoiced	42.00	0.0%	42.00

Sustainable Communities, Regeneration & Economic Recovery	Waste Management	SALE OF 240L PAPER & CARD RECYCLING BIN	Invoiced	21.00	0.0%	21.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	SALE OF 360/340L COMINGLED RECYCLING BIN	Invoiced	177.00	0.0%	177.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	SALE OF RECYCLING BOX	Invoiced	12.00	0.0%	12.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	GARDEN WASTE	Invoiced	71.02	7.5%	76.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	BULKY WASTE (1-3 ITEMS)	Invoiced	33.05	7.5%	36.00
Sustainable Communities, Regeneration & Economic Recovery	Waste Management	BULKY WASTE (4-6 ITEMS)	Invoiced	54.37	7.5%	58.00
Sustainable Communities, Regeneration & Economic Recovery	Highways and Parking	Sign Plate - Supply and Installation of plate (excluding supporting poles, posts)	Not Applicable	147.50	10.70%	163.00
Sustainable Communities, Regeneration & Economic Recovery	Highways and Parking	Cleaning of gullies on private roads on request	Not Applicable	65.00	10.70%	72.00
Sustainable Communities, Regeneration & Economic Recovery	Highways and Parking	Retrieval of keys and other objects from road gully	Not Applicable	150.00	10.70%	166.00
Sustainable Communities, Regeneration & Economic Recovery	Highways and Parking	Works directed under the Flood and Water Management Act 2010: Pre-application advice or Pre-approval meeting to discuss proposed development and the scope of sustainable drainage works in connection with new development	Not Applicable	563.00	10.70%	623.00

Sustainable Communities, Regeneration & Economic Recovery	Highways and Parking	Under Traffic Regulation Act 1984 s14 (1) anything done to temporarily restrict or prohibit traffic in order to carry out works on or near the road. Includes site meetings, making and advertising temporary traffic orders and erecting street notice. Excludes signs/road markings.	Not Applicable	2500.00	10.70%	2768.00
Sustainable Communities, Regeneration & Economic Recovery	Highways and Parking	Under Traffic Regulation Act 1984 s14 (2) anything done to temporarily restrict or prohibit traffic in order to carry out works on or near the road when restriction is required without delay . Includes site meetings, making temporary traffic notices and erecting street notices. Excludes signs/road markings	Not Applicable	1500.00	10.70%	1661.00
Sustainable Communities, Regeneration & Economic Recovery	Highways and Parking	Section 50 Street works licence	Not Applicable	500.00	30.00%	650.00
Sustainable Communities, Regeneration & Economic Recovery	Highways and Parking	Initial Parking Permit application fee	Not Applicable	30.00	10.70%	33.00
Sustainable Communities, Regeneration & Economic Recovery	Highways and Parking	Provision of Companion Badge for Disabled Blue Badge Holder	Not Applicable	30.00	10.70%	33.00
Sustainable Communities, Regeneration & Economic Recovery	Pollution Team	Contaminated Land	Invoiced	50.00	0.0%	50.00
Sustainable Communities, Regeneration & Economic Recovery	Pollution Team	Contaminated Land	Invoiced	100.00	0.0%	100.00

Sustainable Communities, Regeneration & Economic Recovery	Pollution Team	Contaminated Land	Invoiced	150.00	0.0%	150.00
Sustainable Communities, Regeneration & Economic Recovery	Pollution Team	Return of seized no	Invoiced	200.00	0.0%	200.00
Resources	Address Management	Street Naming and Numbering - Basic fee including first unit of development	Payment in advance	260.00	-23%	200.00
Resources	Address Management	Street Naming and Numbering - Each additional unit from 2 to 100	Payment in advance	n/a	n/a	130.00
Resources	Address Management	Street Naming and Numbering - Each additional unit from 101	Payment in advance	n/a	n/a	65.00
Resources	Address Management	Street Naming and Numbering - Each additional unit up to 20	Payment in advance	55.00	n/a	n/a
Resources	Address Management	Street Naming and Numbering - Each additional unit over 20	Payment in advance	40.00	n/a	n/a
Resources	Address Management	Street Naming and Numbering - Building Name (as part of new development)	Payment in advance	260.00	8%	280.00
Resources	Address Management	Street Naming and Numbering - Street Name	Payment in advance	520.00	10%	570.00
Resources	Address Management	Street Naming and Numbering - Renaming and renumbering: Building Name	Payment in advance	260.00	8%	280.00
Resources	Address Management	Street Naming and Numbering - Renaming and renumbering: Per Unit	Payment in advance	260.00	8%	280.00
Resources	Local Land Charges	LLC1 Search	Payment in advance	35.00	0%	35.00
Resources	Local Land Charges	LLC1 Search for additional parcels (each)	Payment in advance	5.00	0%	5.00
Resources	Local Land Charges	Con29 Search - (price inc. VAT @ 20%)	Payment in advance	270.00	0%	270.00
Resources	Local Land Charges	Con29 search for additional parcel (each) - (price inc. VAT @ 20%)	Payment in advance	51.60	0%	51.60

Resources	Local Land Charges	Con290 Questions (each) - (price inc. VAT @ 20%)	Payment in advance	36.00	0%	36.00
ACE	Registrars	Citizenship Ceremony Fees - Private + £80 for Home Office	Payment at point of sale	127.00	3%	131.00
ACE	Registrars	Offsite Wedding Fees - weekday	Payment in advance	433.00	3%	447.00
ACE	Registrars	Offsite Wedding Fees - Saturday	Payment in advance	565.00	3%	584.00
ACE	Registrars	Offsite Wedding Fees - Sunday & Bank Holiday	Payment in advance	623.00	3%	644.00
ACE	Registrars	Offsite Wedding Fees - Easter Sunday, New Years Day	Payment in advance	686.00	3%	710.00
ACE	Registrars	Marriage Ceremony in Town Hall Mon-Thurs Arnhem Room	Payment in advance	237.00	3%	245.00
ACE	Registrars	Marriage Ceremony in Town Hall Mon-Thurs Clocktower Room	Payment in advance	269.00	3%	278.00
ACE	Registrars	Marriage Ceremony in Town Hall Fri Arnhem Room	Payment in advance	311.00	3%	321.00
ACE	Registrars	Marriage Ceremony in Town Hall Fri - Clocktower Room	Payment in advance	295.00	3%	305.00
ACE	Registrars	Marriage Ceremony in Town Hall Sat - Arnhem	Payment in advance	295.00	3%	305.00
ACE	Registrars	Marriage Ceremony in Town Hall Sat Clocktower	Payment in advance	354.00	3%	366.00
ACE	Registrars	Marriage Ceremony in Town Hall Sunday Arnhem	Payment in advance	359.00	3%	371.00
ACE	Registrars	Marriage Ceremony in Town Hall Sunday Clocktower	Payment in advance	416.00	3%	430.00

ACE	Registrars	Marriage Ceremony in Town Hall Easter Sunday, New Year's Day - Arnhem	Payment in advance	465.00	3%	481.00
ACE	Registrars	Marriage Ceremony in Town Hall Easter Sunday, New Year's Day - Clocktower	Payment in advance	528.00	3%	546.00
ACE	Registrars	Final Chat for marriage or civil partnership	Payment in advance	58.00	3%	60.00
ACE	Registrars	Booking fee to hold time and date for ceremony in diary for Town Hall	Payment in advance	38.00	3%	39.00
ACE	Registrars	Admin fee for change of booking, venue, date	Payment in advance	38.00	3%	39.00
ACE	Bereavement Services	PURCHASE OF EXCLUSIVE BURIAL RIGHTS - 50 YR'S - NEW GRAVES - GREENLAWNS MEMORIAL PARK - Grave - Muslim	30 day invoice	3,790.00	7%	4,055.00
ACE	Bereavement Services	PURCHASE OF EXCLUSIVE BURIAL RIGHTS - 50 YR'S - NEW GRAVES - GREENLAWNS MEMORIAL PARK - Muslim Grave - Non Resident Supplement	30 day invoice	3,790.00	7%	4,055.00
ACE	Bereavement Services	PURCHASE OF EXCLUSIVE BURIAL RIGHTS - 50 YR'S - NEW GRAVES - GREENLAWNS MEMORIAL PARK - Grave - General (Border or Non - border)	30 day invoice	3,790.00	7%	4,055.00

ACE	Bereavement Services	PURCHASE OF EXCLUSIVE BURIAL RIGHTS - 50 YR'S - NEW GRAVES - GREENLAWNS MEMORIAL PARK - Non-resident supplement for General grave purchase	30 day invoice	3,790.00	7%	4,055.00
ACE	Bereavement Services	PURCHASE OF EXCLUSIVE BURIAL RIGHTS - 50 YR'S - NEW GRAVES - GREENLAWNS MEMORIAL PARK - Cremation Plot - Rest Park	30 day invoice	1,702.00	7%	1,822.00
ACE	Bereavement Services	PURCHASE OF EXCLUSIVE BURIAL RIGHTS - 50 YR'S - NEW GRAVES - GREENLAWNS MEMORIAL PARK - Plastic Vase - each	30 day invoice	18.00	8%	19.50
ACE	Bereavement Services	PURCHASE OF EXCLUSIVE BURIAL RIGHTS - 50 YR'S - NEW GRAVES - GREENLAWNS MEMORIAL PARK - Plastic Trough - each	30 day invoice	24.00	8%	26.00
ACE	Bereavement Services	PURCHASE OF RECLAIMED BURIAL RIGHTS - 50 YRS - MITCHAM ROAD CEMETERY - Grave capacity 3	30 day invoice	2,142.00	10%	2,356.00

ACE	Bereavement Services	PURCHASE OF RECLAIMED BURIAL RIGHTS - 50 YRS - MITCHAM ROAD CEMETERY - Grave capacity 2	30 day invoice	1,977.00	7%	2,111.00
ACE	Bereavement Services	PURCHASE OF RECLAIMED BURIAL RIGHTS - 50 YRS - MITCHAM ROAD CEMETERY - Grave capacity 1	30 day invoice	1,803.00	10%	1,982.00
ACE	Bereavement Services	NON - RESIDENT GRAVE SUPPLEMENT - MITCHAM ROAD CEMETERY - Grave capacity 3	30 day invoice	2,142.00	10%	2,356.00
ACE	Bereavement Services	NON - RESIDENT GRAVE SUPPLEMENT - MITCHAM ROAD CEMETERY - Grave capacity 2	30 day invoice	1,977.00	7%	2,111.00
ACE	Bereavement Services	NON - RESIDENT GRAVE SUPPLEMENT - MITCHAM ROAD CEMETERY - Grave capacity 1	30 day invoice	1,803.00	10%	1,982.00
ACE	Bereavement Services	PURCHASE OF RECLAIMED BURIAL RIGHTS - 50 YRS - QUEENS ROAD CEMETERY - Grave capacity 3	30 day invoice	2,142.00	10%	2,356.00
ACE	Bereavement Services	PURCHASE OF RECLAIMED BURIAL RIGHTS - 50 YRS - QUEENS ROAD CEMETERY - Grave capacity 2	30 day invoice	1,977.00	7%	2,111.00

ACE	Bereavement Services	PURCHASE OF RECLAIMED BURIAL RIGHTS - 50 YRS - QUEENS ROAD CEMETERY - Grave capacity 1	30 day invoice	1,803.00	10%	1,982.00
ACE	Bereavement Services	NON - RESIDENT GRAVE SUPPLEMENT - QUEENS ROAD CEMETERY - Grave capacity 3	30 day invoice	2,142.00	10%	2,356.00
ACE	Bereavement Services	NON - RESIDENT GRAVE SUPPLEMENT - QUEENS ROAD CEMETERY - Grave capacity 2	30 day invoice	1,977.00	7%	2,111.00
ACE	Bereavement Services	NON - RESIDENT GRAVE SUPPLEMENT - QUEENS ROAD CEMETERY - Grave capacity 1	30 day invoice	1,803.00	10%	1,982.00
ACE	Bereavement Services	INTERMENT – PURCHASED, UNPURCHASED, RECLAIMED GRAVES - ALL CEMETERIES - Depth for 1 or 2 burials	30 day invoice	1,150.00	9%	1,257.00
ACE	Bereavement Services	INTERMENT – PURCHASED, UNPURCHASED, RECLAIMED GRAVES - ALL CEMETERIES - Depth for 3 burials – all graves	30 day invoice	1,526.00	10%	1,672.00
ACE	Bereavement Services	INTERMENT – PURCHASED, UNPURCHASED, RECLAIMED GRAVES - ALL CEMETERIES - Additional fee for each additional depth	30 day invoice	357.00	10%	391.00

ACE	Bereavement Services	INTERMENT – PURCHASED, UNPURCHASED, RECLAIMED GRAVES - ALL CEMETERIES - Additional fee for each casket/Italian or last Supper coffin	30 day invoice	490.00	13%	556.00
ACE	Bereavement Services	INTERMENT – PURCHASED, UNPURCHASED, RECLAIMED GRAVES - ALL CEMETERIES - Non-resident supplement (ALL GRAVES TYPES)	30 day invoice	473.00	10%	518.00
ACE	Bereavement Services	INTERMENT – PURCHASED, UNPURCHASED, RECLAIMED GRAVES - ALL CEMETERIES - Cremated Remains	30 day invoice	242.00	-5%	231.00
ACE	Bereavement Services	GRAVES/PLOTS FOR CREMATED REMAINS (50 YEARS) - Mitcham Rd – Reclaimed Graves for cremated remains	30 day invoice	1,100.00	8%	1,187.00
ACE	Bereavement Services	GRAVES/PLOTS FOR CREMATED REMAINS (50 YEARS) - Queens Rd – Reclaimed Graves for cremated remains	30 day invoice	1,100.00	8%	1,187.00
ACE	Bereavement Services	GRAVES/PLOTS FOR CREMATED REMAINS (50 YEARS) - Greenlawns – Rest Park	30 day invoice	1,700.00	7%	1,822.00

ACE	Bereavement Services	GRAVES/PLOTS FOR CREMATED REMAINS (50 YEARS) - Interment of Cremated Remains in any of the above	30 day invoice	242.00	7%	258.00
ACE	Bereavement Services	OTHER INTERMENT CHARGES - Burial taking place at or after 3.00pm Monday to Friday	30 day invoice	412.00	8%	446.00
ACE	Bereavement Services	OTHER INTERMENT CHARGES - Use of Burial/Crem Chapel for Service (includes use of Organ, Organist Fee & recorded music facilities, per ½ hour or part thereof).	30 day invoice	335.00	7%	358.00
ACE	Bereavement Services	OTHER INTERMENT CHARGES - Use of Crematorium Chapel for double service or overrun into next period (second ½ hour or part thereof)	30 day invoice	335.00	7%	358.00
ACE	Bereavement Services	OTHER INTERMENT CHARGES - Cremated remains burial after 4 p.m.	30 day invoice	208.00	8%	224.00
ACE	Bereavement Services	MONUMENTS - Right to place memorial for 20 y'rs - (excludes permit fee) - All grave types at Mitcham Rd and Queen's Rd Cemeteries	30 day invoice	335.00	58%	529.00

ACE	Bereavement Services	MONUMENTS - Right to place memorial for 20 y'rs - (excludes permit fee) - All graves at Greenlawns sold on or before 31st March 2005	30 day invoice	335.00	7%	360.00
ACE	Bereavement Services	Permit Fees - Mitcham Rd & Queens Rd Cemeteries - All graves	30 day invoice	153.00	10%	169.00
ACE	Bereavement Services	Permit Fees - All graves at Greenlawns sold on or before 31st March 2005	30 day invoice	153.00	135%	360.00
ACE	Bereavement Services	Permit Fees - Add inscription to existing memorial	30 day invoice	121.00	7%	129.00
ACE	Bereavement Services	Permit Fees - Moulding single grave space	30 day invoice	132.00	7%	141.00
ACE	Bereavement Services	Permit Fees - Turfing single grave space	30 day invoice	132.00	7%	141.00
ACE	Bereavement Services	CREMATION FEES - Adult service at or before 10.00am OR any other time of day up to 4.00pm Mon to Fri and not requiring a ceremony or use of Organ (i.e. No Service)	30 day invoice	714.00	7%	766.00
ACE	Bereavement Services	CREMATION FEES - Adult service after 10.00am. up to and including 4.00pm (Mon to Fri)	30 day invoice	923.00	7%	992.00
ACE	Bereavement Services	CREMATION FEES - Additional Fee for service after 4pm	30 day invoice	222.00	8%	239.00
ACE	Bereavement Services	CREMATION FEES - Direct Cremation	30 day invoice	285.00	7%	306.00
ACE	Bereavement Services	CREMATION FEES - Saturday morning cremation fee	30 day invoice	1,275.00	8%	1,371.00

ACE	Bereavement Services	OTHER CREMATION FEES - Burial of Cremated Remains in Cremation Plot	30 day invoice	244.00	6%	258.00
ACE	Bereavement Services	OTHER CREMATION FEES - Temporary Retention of Cremated Remains: 1st Month nil, then mthly	Payment at point of sale	20.00	10%	22.00
ACE	Bereavement Services	OTHER CREMATION FEES - Certified Copy of Cremation Register Entry	Payment at point of sale	23.00	4%	24.00
ACE	Bereavement Services	OTHER CREMATION FEES - Scattering Cremated Remains from other Crematoria	Payment at point of sale	100.00	8%	108.00
ACE	Bereavement Services	MISCELLANEOUS - Transfer of Grave Rights (Per transfer)	Payment at point of sale	83.00	10%	91.00
ACE	Bereavement Services	MISCELLANEOUS - Geneology Searches, per name, if completed by Cemeteries Staff	Payment at point of sale	64.00	8%	69.00
ACE	Bereavement Services	MISCELLANEOUS - Geneology Searches, use of room, access to books: per hr or part thereof	Payment at point of sale	64.00	8%	69.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - COLUMBARIA- RECORDIA FOR- 15 YEARS - New 4 line no longer available	Payment in- advance	- 530.00	n/a	n/a

ACE	Bereavement Services	CREMATORIUM MEMORIALS - COLUMBARIA RECORDIA FOR 15 YEARS - Renewal of 2 line for 15 years	Payment in advance	263.00	8%	283.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - COLUMBARIA RECORDIA FOR 15 YEARS - Renewal of 2 line for 1 year	Payment in advance	42.00	14%	48.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - COLUMBARIA RECORDIA FOR 15 YEARS - Renewal of 4 line for 15 years	Payment in advance	390.00	7%	417.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - COLUMBARIA RECORDIA FOR 15 YEARS - Renewal of 4 line for 1 year	Payment in advance	50.00	8%	54.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL LEATHER PANEL - New dedication for 7 years	Payment in advance	336.00	7%	360.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL LEATHER PANEL - Renewal of dedication for 7 years	Payment in advance	284.00	-6%	268.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL LEATHER PANEL - Renewal of dedication for 1 year	Payment in advance	83.00	10%	91.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL YORK PAVING STONE – for 15 years - Size 2' x 2' including an inscription of up to 50 characters	Payment in advance	757.00	7%	811.00

ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL YORK PAVING STONE – for 15 years - Size 3' x 2' including an inscription of up to 50 characters	Payment in advance	1,132.00	8%	1,217.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL YORK PAVING STONE – for 15 years - Additional letters over the included 50 – per character	Payment in advance	14.00	7%	15.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - Replacement Stone during current dedication period: - Size 2' x 2' including an inscription of up to 50 character	Payment in advance	544.00	8%	585.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - Replacement Stone during current dedication period: - Size 3' x 2' including an inscription of up to 50 characters	Payment in advance	802.00	7%	862.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - Replacement Stone during current dedication period: - Renewal of Dedication for 15 years	Payment in advance	478.00	7%	512.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - Replacement Stone during current dedication period: - Renewal of Dedication for 1 year	Payment in advance	58.00	7%	62.00

ACE	Bereavement Services	CREMATORIUM MEMORIALS - Replacement Stone during current dedication period: - Lift and reface stone for added inscription	Payment in advance	127.00	6%	135.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL ROSE PLAQUES - Placed at a Standard Rose or Rose Bush for dedication period of 7 years.	Payment in advance	493.00	7%	528.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL ROSE PLAQUES - Second plaque for remainder of Dedication period	Payment in advance	220.00	7%	235.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL ROSE PLAQUES - Renewal for a further period of 7 years (inc of 1 or 2 existing plaques)	Payment in advance	441.00	7%	472.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL ROSE PLAQUES - Renewal for a further period of 1 year (inc of 1 or 2 existing plaques)	Payment in advance	94.00	7%	101.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL ROSE PLAQUES - Replacement rose plaque	Payment in advance	115.00	7%	123.00

ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL ROSE PLAQUES - Heart Memorial Rose Plaque, placed at a Standard Rose or Rose Bush for initial dedication period of 7 years.	Payment in advance	508.00	7%	545.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL ROSE PLAQUES - Second Heart plaque for remainder of Dedication period	Payment in advance	232.00	7%	249.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL ROSE PLAQUES - Replacement Heart plaque	Payment in advance	123.00	7%	132.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL ROSE PLAQUES - Additional Emblem – Rose Plaque	Payment in advance	24.00	8%	26.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL ROSE PLAQUES - Additional Lines (per line) – Rose Plaque	Payment in advance	15.00	7%	16.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL SEAT - 6' 0" Teak Seat, New for 15 years – including first inscribed bronze plaque	Payment in advance	1,910.00	7%	2,047.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL SEAT - Renewal for 15 years	Payment in advance	1,592.00	7%	1,703.00

ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL SEAT - Renewal for 1 year	Payment in advance	159.00	8%	171.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL TREES leased for 7 years - Memorial Tree including 12"x 12" memorial tablet	Payment in advance	1,862.00	7%	1,991.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL TREES (18" x 12" tablet) including leased for 7 years - Renewal for 7 Years	Payment in advance	1,028.00	7%	1,100.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL TREES (12" x 12" tablet) leased for 7 years - Renewal for 1 Year	Payment in advance	186.00	7%	199.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL TREES leased for 7 years - Memorial Tree including 18"x 12" memorial tablet	Payment in advance	2,048.00	7%	2,190.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL TREES (12" x 12" tablet) leased for 7 years - Renewal for 7 Years	Payment in advance	1,028.00	7%	1,100.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - MEMORIAL TREES (18" x 12" tablet) leased for 7 years - Renewal for 1 Year	Payment in advance	186.00	7%	199.00

ACE	Bereavement Services	CREMATORIUM MEMORIALS - THE BOOK OF REMEMBRANCE - 2 line memorial inscription including access to on screen display	Payment in advance	173.00	8%	186.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - THE BOOK OF REMEMBRANCE - 5 line memorial inscription including access to on screen display	Payment in advance	275.00	7%	295.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - THE BOOK OF REMEMBRANCE - 8 line memorial inscription including access to on screen display	Payment in advance	363.00	7%	388.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - THE BOOK OF REMEMBRANCE - Badge, crest or floral emblem (Emblem available with 5 or 8 line inscriptions)	Payment in advance	92.00	8%	99.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - e-BOOK OF REMEMBRANCE - Digitizing existing entry	Payment in advance	68.00	7%	73.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - e-BOOK OF REMEMBRANCE - Biographical/Poem /Prose details	Payment in advance	68.00	41%	96.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - e-BOOK OF REMEMBRANCE - Digital Photograph	Payment in advance	90.00	8%	97.00

ACE	Bereavement Services	CREMATORIUM MEMORIALS - e-BOOK OF REMEMBRANCE - Inscribing poetry or prose – per line	Payment in advance	15.00	7%	16.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - e-BOOK OF REMEMBRANCE - Additional Access Card	Payment in advance	23.00	9%	25.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - REPLICA TYPE "A" – MEMORIAL CARD Containing copy of 2 line inscription	Payment in advance	59.00	7%	63.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - REPLICA TYPE "A" – MEMORIAL CARD Containing copy of 5 line inscription	Payment in advance	73.00	7%	78.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - REPLICA TYPE "A" – MEMORIAL CARD Containing copy of 8 line inscription	Payment in advance	92.00	8%	99.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - REPLICA TYPE "B" - MINIATURE BOOK (paper covers) - Containing copy of 2 line inscription	Payment in advance	92.00	8%	99.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - REPLICA TYPE "B" - MINIATURE BOOK (paper covers) - Containing copy of 5 line inscription	Payment in advance	123.00	7%	132.00

ACE	Bereavement Services	CREMATORIUM MEMORIALS - REPLICA TYPE "B" - MINIATURE BOOK (paper covers) - Containing copy of 8 line inscription	Payment in advance	134.00	7%	143.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - REPLICA TYPE "C" - MINIATURE BOOK (hard covers) - Containing copy of 2 line inscription	Payment in advance	140.00	6%	149.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - REPLICA TYPE "C" - MINIATURE BOOK (hard covers) - Containing copy of 5 line inscription	Payment in advance	153.00	7%	163.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - REPLICA TYPE "C" - MINIATURE BOOK (hard covers) - Containing copy of 8 line inscription	Payment in advance	176.00	7%	188.00
ACE	Bereavement Services	CREMATORIUM MEMORIALS - Badge, crest or floral emblem - available with replicas for additional	Payment in advance	92.00	8%	99.00
ACE	Bereavement Services	GREENLAWN MEMORIALS - BRONZE MEMORIAL TABLETS - Size 12" x 12" (Maximum of 4 per grave) Inclusive of an inscription of not more than 75 characters	Payment in advance	379.00	7%	406.00

ACE	Bereavement Services	GREENLAWN MEMORIALS - BRONZE MEMORIAL TABLETS - Size 18" x 12" (Cremation Plot, 1 per plot) Inclusive of an inscription of not more than 75 characters	Payment in advance	505.00	7%	541.00
ACE	Bereavement Services	GREENLAWN MEMORIALS - BRONZE MEMORIAL TABLETS - Size 24" x 12" (Maximum of 2 per grave) Inclusive of an inscription of not more than 75 characters	Payment in advance	625.00	7%	670.00
ACE	Bereavement Services	GREENLAWN MEMORIALS - BRONZE MEMORIAL TABLETS - Inscriptions over 75 letters - each additional character	Payment in advance	15.00	7%	16.00
ACE	Bereavement Services	GREENLAWN MEMORIALS - BRONZE MEMORIAL TABLETS - Refurbishment of an existing bronze tablet	Payment in advance	302.00	8%	325.00
ACE	Bereavement Services	GREENLAWN MEMORIALS - MOTIFS, EMBLEMS, BADGES etc - A standard plain Cross or Rose (any plaque size)	Payment in advance	41.00	10%	45.00
ACE	Bereavement Services	GREENLAWN MEMORIALS - MOTIFS, EMBLEMS, BADGES etc - Other motifs: Please contact the Crematorium Office staff for quote	Payment in advance	POA		POA

ACE	Bereavement Services	GREENLAWN MEMORIALS - SANCTUM VAULTS - Sanctum Vault for 50 years (excludes bronze tablet)	Payment in advance	1,069.00	7%	1,144.00
ACE	Bereavement Services	GREENLAWN MEMORIALS - SANCTUM VAULTS - Sanctum Bronze Tablet	Payment in advance	285.00	8%	307.00
ACE	Bereavement Services	GREENLAWN MEMORIALS - FLOWER VASE - Regulation vase – includes installation	Payment in advance	18.00	6%	19.00
ACE	Bereavement Services	GREENLAWN MEMORIALS - FLOWER VASE - Regulation trough – includes installation	Payment in advance	24.00	8%	26.00
ACE	Bereavement Services	GREENLAWN MEMORIALS - GEMINI MEMORIAL NICHEs - Initial 15 year lease of standard cell (2 urn capacity)	Payment in advance	1,339.00	7%	1,434.00
ACE	Bereavement Services	GREENLAWN MEMORIALS - GEMINI MEMORIAL NICHEs - Renewal of 15 year lease of standard cell	Payment in advance	967.00	7%	1,034.00
ACE	Bereavement Services	GREENLAWN MEMORIALS - GEMINI MEMORIAL NICHEs - Opening of Niche for deposit of casket and resealing	Payment in advance	66.00	8%	71.00

ACE	Bereavement Services	GREENLAWN MEMORIALS - GEMINI MEMORIAL NICHES - Inscriptions engraved & gilded on Urn and/or sealing stone - per character	Payment in advance	16.00	-6%	15.00
ACE	Bereavement Services	GREENLAWN MEMORIALS - GEMINI MEMORIAL NICHES - Motifs and other emblems can also be supplied. Price available on request	Payment in advance	POA		POA
ACE	Bereavement Services	GREENLAWN MEMORIALS - GEMINI MEMORIAL NICHES - Wooden Gemini casket and inscription	Payment in advance	115.00	7%	123.00
ACE	Bereavement Services	GREENLAWN MEMORIALS - COLUMBARIUM NICHE - (refurbished - new product) - New Lease (inc. cover stone) for 10 years	Payment in advance	2,203.00	7%	2,357.00
ACE	Bereavement Services	GREENLAWN MEMORIALS - COLUMBARIUM NICHE - (refurbished - new product) - Renew Lease for 10 years	Payment in advance	1,602.00	8%	1,734.00
ACE	Bereavement Services	GREENLAWN MEMORIALS - COLUMBARIUM NICHE - (refurbished - new product) - Opening of Niche for deposit of casket and resealing	Payment in advance	94.00	7%	101.00

ACE	Bereavement Services	GREENLAWN MEMORIALS - COLUMBARIUM NICHE - (refurbished - new product) - additional inscription on plaque	Payment in advance	248.00	6%	264.00
ACE	Bereavement Services	MISCELLANEOUS FEES - Surrender of burial rights - paid to grave owner on surrender of rights	Refund Process	- 157.00	3%	- 161.00
ACE	Bereavement Services	MISCELLANEOUS FEES - Renew of Lease Cremation plots Garden of Remembrance - Mitcham Road 1 year	Payment in advance	115.00	8%	124.00
ACE	Bereavement Services	MISCELLANEOUS FEES - Renew of Lease Cremation plots Garden of Remembrance - Mitcham Road 5 years	Payment in advance	505.00	8%	543.00
ACE	Bereavement Services	Funerals - Administration fees for arranging funerals - Property search		162.00	10%	178.00
ACE	Bereavement Services	Funerals - Administration fees for arranging funerals - Letters (Administration of estate) £ per letter		15.00	13%	17.00
ACE	Bereavement Services	Funerals - Administration fees for arranging funerals - Treasury Solicitor Referrals		427.00	10%	470.00
ACE	Bereavement Services	Funerals - Administration fees for arranging funerals - Registration of Death		43.00	9%	47.00

ACE	Bereavement Services	Funerals - Administration fees for arranging funerals - Administration Charge incl general admin, travel, parking, phone calls etc - per hour or part thereof		25.00	8%	27.00
ACE	Bereavement Services	Cremation Fees - Child aged 6 months to 10 years non resident only		123.00	7%	132.00
ACE	Bereavement Services	Cremation Fees - Child under 6 months, still born or foetus non resident only		76.00	8%	82.00
ACE	Bereavement Services	INTERMENT – PURCHASED, UNPURCHASED, RECLAIMED GRAVES ALL CEMETERIES - Child: under 3 years, stillborn or foetus		92.00	10%	101.00
ACE	Bereavement Services	INTERMENT – PURCHASED, UNPURCHASED, RECLAIMED GRAVES ALL CEMETERIES - Child: Aged 3 years to 14 years		187.00	10%	206.00
ACE	Employee Assistance Programme	EAP service for all school staff. Fee is calculated per staff member	Payment in advance	300.00	0%	300.00
ACE	Bereavement Services	Webcast streaming of service - Live	Payment at point of sale	31.00	n/a	POA
ACE	Bereavement Services	Webcast streaming of service - Live + 28 days + downloadable	Payment at point of sale	47.00	n/a	POA
ACE	Bereavement Services	Webcast streaming of service - Keepsake, as live plus 1st copy DVD or USB or Blu-ray	Payment at point of sale	52.00	n/a	POA

ACE	Bereavement Services	Webcast streaming of service - Additional keepsake copies	Payment at point of sale	26.00	n/a	POA
ACE	Bereavement Services	Visual tributes - slideshow	Payment at point of sale	38.00	n/a	POA
ACE	Bereavement Services	Visual tributes - pro tribute	Payment at point of sale	70.00	n/a	POA
ACE	Bereavement Services	Visual tributes - family made films	Payment at point of sale	18.00	n/a	POA
Adult Social Care and Health		ADULT SERVICES - CARELINE & TELECARE SERVICE				
Adult Social Care and Health	Adults	ADULT SERVICES - TELECARE SERVICE - Weekly Charges - Careline Safe At Home	Payment in advance	14.42	10.10%	15.88
Adult Social Care and Health	Adults	ADULT SERVICES - TELECARE SERVICE - Weekly Charges - Telecare System - 1 Device	Payment in advance	28.91	10.10%	31.83
Adult Social Care and Health	Adults	ADULT SERVICES - TELECARE SERVICE - Weekly Charges - Telecare System - 2 Devices	Payment in advance	43.33	10.10%	47.71
Adult Social Care and Health	Adults	ADULT SERVICES - TELECARE SERVICE - Weekly Charges - Telecare System - 3 Devices	Payment in advance	57.75	10.10%	63.58
Adult Social Care and Health	Adults	ADULT SERVICES - TELECARE SERVICE - Weekly Charges - Additional Sensor	Payment in advance	3.15	10.10%	3.47

Adult Social Care and Health	Adults	ADULT SERVICES - CROYDON CARELINE ALARM SERVICE - Standard Service - weekly	Payment in advance	8.47	10.10%	9.33
Adult Social Care and Health	Adults	ADULT SERVICES - CROYDON CARELINE ALARM SERVICE - Pension Credit /Income - weekly	Payment in advance	5.18	10.10%	5.70
Adult Social Care and Health	Adults	ADULT SERVICES - CROYDON CARELINE ALARM SERVICE - Additional Pendants - weekly	Payment in advance	0.98	10.10%	1.08
Adult Social Care and Health		ADULT SERVICES - Setting up a Deferred Payment Agreement (DPA)				
Adult Social Care and Health	Adults	ADULT SERVICES - Setting up a Deferred Payment Agreement (DPA) - One off set up fee - Land registry search*	Deferred Payment	3.00	10.10%	3.30
Adult Social Care and Health	Adults	ADULT SERVICES - Setting up a Deferred Payment Agreement (DPA) - One off set up fee - Legal fees: this covers the cost of placing the charge on a property and may change as this is set by the solicitor not LBC	Deferred Payment	690.00	10.10%	759.69

Adult Social Care and Health	Adults	ADULT SERVICES - Setting up a Deferred Payment Agreement (DPA) - One off set up fee - Staff costs: 15 hours work for an officer to initiate, set up and complete all the tasks required	Deferred Payment	306.17	10.10%	337.09
Adult Social Care and Health	Adults	ADULT SERVICES - Setting up a Deferred Payment Agreement (DPA) - One off set up fee - Property valuation: this charge may vary as it is set by the district valuers office	Deferred Payment	570.00	10.10%	627.57
Adult Social Care and Health	Adults	ADULT SERVICES - In year cost of maintaining a DPA - charged annually - Staff costs: 2 hours staff time, every quarter to monitor, re-evaluate and carry out necessary sustainability tasks	Deferred Payment	163.28	10.10%	179.77
Adult Social Care and Health	Adults	ADULT SERVICES - In year cost of maintaining a DPA - charged annually - Property valuation: only when debt reaches 50% of equity or the unforeseen need for an in-depth review of the DPA's sustainability	Deferred Payment	570.00	10.10%	627.57

Adult Social Care and Health	Adults	ADULT SERVICES - In year cost of maintaining a DPA - charged annually -Land registry search	Deferred Payment	3.00	10.10%	3.30
Adult Social Care and Health	Adults	ADULT SERVICES - Closing down of a DPA - Staff costs: 2 hours work for an officer to initiate, set up and complete all the tasks required	Deferred Payment	40.82	10.10%	44.94
Adult Social Care and Health		DEPUTYSHIP CHARGES (clients who lack mental capacity) - Fees set by Public Guardianship Office				
Adult Social Care and Health	Adults	Category 1 charges: Preparatory work to the date court makes an order	Statutory	745.00	0.00%	745.00
Adult Social Care and Health	Adults	Category 2 charges: Income > £16k fixed fee or < £16k variable fee; 2.5% of savings up to £500.00 for Health and welfare and up to 3.5% for property and affairs) Annual management fee A) First year ¹	Statutory	775.00	0.00%	775.00
Adult Social Care and Health	Adults	B) 2nd and subsequent years	Statutory	650.00	0.00%	650.00
Adult Social Care and Health	Adults	Category 3 charges: Annual property management fee	Statutory	300.00	0.00%	300.00
Adult Social Care and Health	Adults	Category 4 charges: Preparation and lodgement of annual report	Statutory	216.00	0.00%	216.00

Adult Social Care and Health	Adults	APPOINTEESHIP CHARGE (clients who have mental capacity) Local policy duplicates category 2 charges as set by the Public Guardianship Office for Deputyships	Statutory	745.00	0.00%	745.00
Adult Social Care and Health		HOME CARE				
Adult Social Care and Health	Adults	Home care per hour in the community	N/A	Variable up to the lower of assessed contribution and actual cost of service	Variable up to the lower of assessed contribution and actual cost of service	Variable up to the lower of assessed contribution and actual cost of service
Adult Social Care and Health	Adults	Live in carer per hour (Effectively another form of home care)	N/A	Variable up to the lower of assessed contribution and actual cost of service	Variable up to the lower of assessed contribution and actual cost of service	Variable up to the lower of assessed contribution and actual cost of service
Adult Social Care and Health	Adults	Sitting service	N/A	Variable up to the lower of assessed contribution and actual cost of service	Variable up to the lower of assessed contribution and actual cost of service	Variable up to the lower of assessed contribution and actual cost of service
Adult Social Care and Health		DAY CARE - Daily charge				
Adult Social Care and Health	Adults	In-house day care: Full Day	N/A	62.07	10.10%	68.33
Adult Social Care and Health	Adults	In-house day care: Half Day	N/A	31.03	10.10%	34.17
Adult Social Care and Health	Adults	Private and Voluntary sector day care	N/A	Variable up to the lower of assessed contribution and actual cost of service	Variable up to the lower of assessed contribution and actual cost of service	Variable up to the lower of assessed contribution and actual cost of service
Adult Social Care and Health		RESPITE CARE - Charge per night				
Adult Social Care and Health	Adults	RESPITE CARE - In-House Charge per night		106.79	10.10%	117.57
Adult Social Care and Health	Adults	RESPITE CARE - Private and Voluntary home Charge per night		Variable up to the lower of assessed contribution and actual cost of service	Variable up to the lower of assessed contribution and actual cost of service	Variable up to the lower of assessed contribution and actual cost of service

Adult Social Care and Health		RESIDENTIAL HOMES - Weekly Charges				
Adult Social Care and Health	Adults	Residential Care		Variable up to the lower of assessed contribution and actual cost of service	Variable up to the lower of assessed contribution and actual cost of service	Variable up to the lower of assessed contribution and actual cost of service
Adult Social Care and Health	Adults	Nursing care (excludes funded nursing care)		Variable up to the lower of assessed contribution and actual cost of service	Variable up to the lower of assessed contribution and actual cost of service	Variable up to the lower of assessed contribution and actual cost of service
Adult Social Care and Health		COUNCIL OWNED RESIDENTIAL HOMES - Weekly Charges				
Adult Social Care and Health	Adults	Residential standard charge		747.52	10.10%	823.02
Adult Social Care and Health	Adults	Residential Dementia charge		783.78	10.10%	862.94
Adult Social Care and Health	Adults	Nursing standard charge (excluding funded nursing care)		747.52	10.10%	823.02
Adult Social Care and Health	Adults	Nursing Dementia charge (excluding funded nursing care)		783.78	10.10%	862.94
Adult Social Care and Health	Adults	EXTRA CARE HOUSING SUPPORT - Weekly Charges				
Adult Social Care and Health	Adults	Support Charge pre April 2003		64.15	10.10%	70.63
Adult Social Care and Health	Adults	Support Charge post April 2003		73.77	10.10%	81.22
Adult Social Care and Health	Adults	Laundry Service - up to 2 visits per week		8.45	10.10%	9.30
Adult Social Care and Health	Adults	Guests and Family charges (Charge per person per night)		10.71	10.10%	11.79

Adult Social Care and Health	Adults	Home care in Extra Care Housing (otherwise known as personal and intimate care) one carer		15.12	10.10%	16.65
Adult Social Care and Health	Adults	Home care in Extra Care Housing (otherwise known as personal and intimate care) two or more carers		30.24	10.10%	33.29
Adult Social Care and Health	Adults	Post April 2003 not in receipt of housing benefit		19.61	10.10%	21.59
Adult Social Care and Health	Adults	OTHER				
Adult Social Care and Health	Adults	Charges to other LA's - Recharge of the actual costs for residential care provided		Depends on placement and unit cost	Depends on placement and unit cost	
Adult Social Care and Health	Adults	Charges to other run LA's - Recharge of the actual costs for non-residential care provided		Depends on placement and unit cost	Depends on placement and unit cost	
Adult Social Care and Health	Adults	Maximum charging policy - Where a client refuses to provide information to enable a financial assessment to be completed, a full cost charge will be raised after 28 days of receipt of service. Maximum charges are the cost of the service provided.		Variable based on actual cost	Variable based on actual cost	
Adult Social Care and Health	Adults	Non residential administration charge for full cost residents who ask the Council to arrange their care - charge per annum pending case review		260.00	10.10%	286.26

Children, Young People and Education	Educational Psychology	Educational Psychology support - fixed fee for 6 hour session	Payment in advance	£598.00	0.00%	£598.00
Children, Young People and Education	Governor Services	Governor advice and training annual contract for schools at a fixed fee	Payment in advance	£2,595.00	3.50%	£2,686.00
Children, Young People and Education	Governor Services	Governor training annual contract for schools at a fixed fee	Payment in advance	£1,675.00	3.50%	£1,734.00
Children, Young People and Education	Governor Services	Bespoke governor advice, training, clerking annual contract for schools	Payment in advance	POA	N/A	POA
Children, Young People and Education	Governor Services	Clerking annual or ad-hoc contract for schools	Payment in advance	POA	N/A	POA
Children, Young People and Education	Human Resources	Annual HR core support/advice contract for schools at fixed rate per employee	Payment in advance	£93.00	3.20%	£96.00
Children, Young People and Education	Human Resources	Annual HR enhanced support/advice contract for schools at fixed rate per employee	Payment in advance	£116.00	3.45%	£120.00
Children, Young People and Education	Human Resources	Annual HR fixed hours support contract for schools at a fixed rate per hour with minimum fee of £2500	Payment in advance	£96.00	3.13%	£99.00
Children, Young People and Education	Human Resources	Ad hoc HR support for schools rate per hour	Payment in advance	£100.00	4.00%	£104.00
Children, Young People and Education	IT	Half day ad hoc technical IT support for schools	Payment in advance	£240.00	3.33%	£248.00
Children, Young People and Education	IT	Full day ad hoc technical IT support for schools	Payment in advance	£475.00	3.50%	£492.00
Children, Young People and Education	IT	Per hour annual technical IT support contracts for schools	Payment in advance	POA	N/A	POA

Children, Young People and Education	IT	Annual SIMS support contracts for schools	Payment in advance	POA	N/A	POA
Children, Young People and Education	HR Recruitment	Annual recruitment package. Fee based on pupil numbers and type of school	Payment in advance	£500.00	N/A	Offer ceased for 2023-24
Children, Young People and Education	HR Recruitment	Croydon Teacher Recruitment event fixed rate per virtual room	Payment in advance	£135.00	3.50%	£140.00
Children, Young People and Education	HR Recruitment	Ad hoc adverts for schools	Payment in advance	£135.00	3.50%	£140.00
Children, Young People and Education	ECT	Appropriate Body service. 2 year ECT programme - 1 term. Fee per ECT at school	Payment in advance	£300.00	0.00%	£300.00
Children, Young People and Education	NQT	Appropriate Body service -3 terms. Fee per NQT for Schools	Payment in advance	POA	N/A	Offer ceased for 2023-24
Children, Young People and Education	Education Development & Partnership	Half day school improvement consultancy support for schools	Payment in advance	£360.00	3.50%	£373.00
Children, Young People and Education	Education Development & Partnership	Full day school improvement consultancy support for schools	Payment in advance	£675.00	3.50%	£699.00
Children, Young People and Education	Education Development & Partnership	2 hour session school improvement consultancy support/training for schools	Payment in advance	POA	N/A	£250.00
Children, Young People and Education	Education Development & Partnership	1.5 hour session remote school improvement consultancy support/training for schools	Payment in advance	£180.00	3.50%	£186.00
Children, Young People and Education	Education Development & Partnership	Access to the Staff Whistleblowing Service and example policy - price per pupil/total headcount	Payment in advance	£0.35	0.00%	Free for all Croydon Schools

Children, Young People and Education	CLEAPPS	Annual fee for advisory service providing support for science and technology in schools - Service available to Croydon maintained schools only	Payment in advance	POA	N/A	POA
Children, Young People and Education	Education CPD Programme	Price per participant or annual school package for staff training courses and forums	Payment in advance	POA	N/A	POA
Children, Young People and Education	Education Traded Services	Annual contract or 'one-off' fee - Any combination of education traded services, including consultancy, training and support available as a bespoke annual package or ad-hoc arrangements upon request	Payment in advance	POA	N/A	POA

Equality Analysis : Fees & Charges

1. Introduction

1.1 Purpose of Equality Analysis

The Council has an important role in creating a fair society through the services we provide, the people we employ and the money we spend. Equality is integral to everything the Council does. We are committed to making Croydon a stronger, fairer borough where no community or individual is held back.

Undertaking an Equality Analysis helps to determine whether a proposed change will have a positive, negative, or no impact on groups that share a protected characteristic. Conclusions drawn from Equality Analyses helps us to better understand the needs of all our communities, enable us to target services and budgets more effectively and also helps us to comply with the Equality Act 2010.

An equality analysis must be completed as early as possible during the planning stages of any proposed change to ensure information gained from the process is incorporated in any decisions made.

In practice, the term '**proposed change**' broadly covers the following:-

- Policies, strategies and plans;
- Projects and programmes;
- Commissioning (including re-commissioning and de-commissioning);
- Service review;
- Budget allocation/analysis;
- Staff restructures (including outsourcing);
- Business transformation programmes;
- Organisational change programmes;
- Processes (for example thresholds, eligibility, entitlements, and access criteria).

2. Proposed change

Directorate	All
Title of proposed change	Fees & Charges 2023/24
Name of Officers carrying out Equality Analysis	Sunil Shahaney

2.1 Purpose of proposed change

Croydon Council supports delivery of a wide range of services. The ability to charge where appropriate, is a key funding source to support the cost of providing the service. There are specific powers to charge and the Councils charging policy is set out under paragraph four of the main report.

- Parking and property rental fees and charges are excluded from this report.
- Licensing and regulatory related fees are non-executive functions and are reserved for consideration by non-executive committees of the Council.
- There are also Officer delegations in place from the relevant regulatory committees in relation to certain highway charges (skip and scaffolding licences etc). These are not included in the report.

Context for Change

Changing Demographics

Data from the 2021 census shows that Croydon's population has grown by 7.5% since the 2011 census to 390,800. This is slightly lower than the increase for London (7.7%). Other comparative data from 2021 Census

- Croydon ranked 16th for total population out of 309 local authority areas in England.
- Croydon has the highest population in London.
- The number of households has increased to close to 160,000 compared to 145,000 recorded in Census 2011.
- Croydon is the 10th least densely populated of London's 33 local authority areas

In Croydon,

- 52% of the population are females.
- 19.3% of the population are under 15 and 13.6% over 65

Based on the age bandings for delivering services in Croydon:

- 23.1% of residents in Croydon are aged 0-17 years
- 63.3% are aged between 18 and 64 years
- 13.6% are aged 65 years or over

Fees & Charges

Residents and customers currently pay specific fees and charges for a wide range of activities and services such as building control services, planning application, land charges fees, leisure activities, care related charges etc. Some of these fees and charges are set nationally and the council is legally required to adopt these levels, whilst other fees and charges are set at levels using the council's discretion.

With the cost of providing charged -for goods and services going up due to inflation and other factors, the Council need to increase its charges by an equivalent amount to ensure that it continues to recover its costs.

The Council has a need to balance its budget which an increase in fees would support. The Council is also mindful of the impact of an increase on the residents that it delivers its services to may have.

Our current equality analysis is focused on the public sector equality duty:

- Advancing equality of opportunity between people who belong to protected groups.
- Eliminating unlawful discrimination, victimisation and harassment.
- Fostering good relations between people who belong to protected groups.

The increase in fees and charges should also be considered in the current wider economic context, with inflation at historically high levels. The cumulative effect from other increases that is likely to impact on residents, where often low-income households face by having to use methods for bills such as a payment meter, instead of direct debit, which has an accompanying higher cost. This impact will be across residents and may include some with protected characteristics. However, the proposed change in fees and charges is, in almost every case, below the inflation rate of 10.7% in November 2022.

There are mitigations in place which the Council currently provide to support those in need and these are detailed in section 5 of this Equality Impact Assessment.

3. Impact of the proposed change

Important Note: It is necessary to determine how each of the protected groups could be impacted by the proposed change. Who benefits and how (and who, therefore doesn't and why?) Summarise any positive impacts or benefits, any negative impacts and any neutral impacts and the evidence you have taken into account to reach this conclusion. Be aware that there may be positive, negative and neutral impacts within each characteristic.

Where an impact is unknown, state so. If there is insufficient information or evidence to reach a decision you will need to gather appropriate quantitative and qualitative information from a range of sources e.g. Croydon Observatory a useful source of information such as Borough Strategies and Plans, Borough and Ward Profiles, Joint Strategic Health Needs Assessments <http://www.croydonobservatory.org/> Other sources include performance monitoring reports, complaints, survey data, audit reports, inspection reports, national research and feedback gained through engagement with service users, voluntary and community organisations and contractors.

3.1 Deciding whether the potential impact is positive or negative

Table 1 – Positive/Negative impact

	<p>For each protected characteristic group show whether the impact of the proposed change on service users and/or staff is positive or negative by briefly outlining the nature of the impact in the appropriate column. If it is decided that analysis is not relevant to some groups, this should be recorded and explained. In all circumstances you should list the source of the evidence used to make this judgement where possible.</p> <p>PLEASE NOTE: As this report covers a wide range of Council services, the equalities impact caused by a change in charges will differ in line with the service in question, and the demographics of those individuals &/or communities who use or benefit from the service.</p> <p>This EQIA addresses the general impact of a review of fees and charges, along with any planned mitigations to the impact on groups and individuals that share protected characteristics and utilises data currently available.</p> <p>The fees and charges subject to increase will impact on all residents that use those services, some fees and charges will have more of an impact on some characteristics than others and are detailed below. Mitigating actions are in place for all of these and detailed in later in the EQIA.</p>		
Protected characteristic group(s)	Negative Impact	Positive impact	Source of evidence
Age	<p>The change in fees is unlikely to have any impact on this protected characteristic group that is greater than any other resident.</p> <p>The fees in relation to cremation/burial may affect older residents more. However, the impact is considered to be low as the fee increase is below overall inflation levels.</p> <p>Fees in relation to adult social care could impact this protected group more, but financial assessments are in place for these services.</p>		<p>Croydon's population continues to age with those over 65 increasing by 19.7% since the 2011 Census. The median age also increased by two years, from 35 to 37 years of age.</p> <p>The borough data regarding age is as follows:</p> <ul style="list-style-type: none"> • 97,900 0-19 year olds. This is the highest in London. (2021 Census) • 239,700 20-64 year olds. This is the highest in London. (2021 Census) • 53,100 65+ year olds. This is the 3rd highest in London. (2021 Census)
Disability	<p>The change in fees is unlikely to have any impact on this protected characteristic group that is greater than any other resident.</p>		<p>Census 2011 indicated that 6.7% of Croydon residents have their day-to day activities "limited a lot" and 7.9% "limited a little" by a long-term health problem or disability</p>

	<p>However, external factors mean some disabled residents face higher costs in areas such as energy use. The mitigating factors shown later in the EQIA will therefore be essential to supporting this group of residents.</p>		<p>We are expecting this data to be updated to be released by the Office for National Statistics (ONS) later this month.</p> <p>Employment rates for disabled people, across all ages, are significantly lower than those of non-disabled people.</p> <p>The employment of disabled people 2021 - GOV.UK (www.gov.uk)</p>
Sex	<p>The change in fees is unlikely to have any impact on this protected characteristic group that is greater than any other resident.</p> <p>The fees in relation sports may affect one sex more than another if usage varies by sex.</p> <p>Examples of participation of both sexes in traditionally single sex sports are numerous and vice versa.</p> <p>However, sports are open to all residents and the fee increases are not considered to have a bearing on participation levels by sex.</p>		<p>203,000 (51.9%) residents in Croydon are female and 187,600 are male (48.1%).</p> <p>(Source 2021 Census)</p>
Gender reassignment/identity	<p>The change in fees is unlikely to have any impact on this protected characteristic group that is greater than any other resident.</p> <p>The fees in relation sports may affect one gender more than another if usage varies by gender identify.</p> <p>However, sports are open to all residents and the fee increases are not considered to have a bearing on participation levels by gender identify.</p>		<p>According to the ONS Census 2021, of all the Croydon residents aged 16 years and over who responded, 91.6% stated that their gender identity was the same as their sex registered at birth.</p> <p>7.5% of those who responded did not answer the gender identity question Only 0.9% stated that they had a different gender identity.</p>
Marriage or Civil Partnership	<p>The changes in registrars' fees may negatively impact residents based on their intention of entering into marriage or civil partnership.</p> <p>However, the cost of an average wedding is approximately £17,000, therefore the impact of a change in registrars fees is considered to be</p>		<p>The borough data on marital status is as follows:</p> <ul style="list-style-type: none"> • 32.8% Married • 34.1% Single • 8.5% Divorced or Separated • 3.7% Widowed • 20.6% No response to question <p>493 people were registered in a same sex civil partnership</p>

	<p>minimal in comparison to these other potential costs associated with getting married/having a Civil Partnership.</p> <p>The Council offers different burial plots which could be purchased more by people in this protected characteristic group (e.g. double plot may be more popular with those residents that are married or in a civil partnership. However, the fee increase is consistent and therefore there is no impact considered for this protected characteristic.</p>		<p>279 people were registered in an opposite sex civil partnership.</p> <p>(Source: Census 2021)</p>
Religion or belief	<p>The changes in bereavement fees may impact residents based on their religion or belief</p> <p>The Hindu faith, for example, believes in cremation as opposed to burial. Therefore, changes in cremation fees may impact them more.</p> <p>Christian ceremonies often incorporate the singing of hymns, and therefore the change in organist fee could be seen to impact them more than other faiths.</p> <p>However, the fee increases are below inflation and the percentage change between burial and cremation is consistent.</p> <p>Therefore, no impact is anticipated for this protected characteristic group.</p>		<p>The predominant religion of Croydon is Christianity. According to the 2021 census, the borough has over 190,880 Christians (48.9%), 40,717 Muslims (10.4%) and 23,145 Hindu (5.9%) residents.</p> <p>101,119 (25.9%) Croydon residents stated that they are atheist or non-religious in the 2021 Census.</p> <p>6.9% did not answer the question on religion.</p>

	<p>In relation to registrars' fees, marriage rates may vary by religious groups and therefore it could be suggested that the change in fee would impact this group more. However, and as set out above, the registrars fee is a small proportion of the cost of the average wedding and therefore the change is considered to have minimal impact.</p>																				
<p>Race</p>	<p>The change in fees is unlikely to have any impact on this protected characteristic group that is significantly greater than any other resident.</p> <p>The citizenship ceremony fee may impact residents of different ethnic groups. However, this information is not collected at this time. The proposed change in fee is below the inflation level and the impact is therefore considered to be low.</p> <p>The change on fee for hiring of grounds and green spaces may impact residents of different ethnic groups. For example, funfairs and circuses were historically run by individuals from the Gypsy and Traveller community. However, there is no data that identifies whether funfairs or circuses are run by the Gypsy and Traveller community in Croydon. Therefore, the impact is considered to be low.</p>	<p>Community events can support the delivery of the public sector equality duty by fostering or encouraging good relations between people who share a protected characteristic and those who don't.</p> <p>The change in fee is below the rate of inflation and therefore minimal impact is anticipated.</p>	<p>Broad Ethnic Group Changes in Croydon from Census 2011 to Census 2021</p> <table border="1" data-bbox="1299 669 1925 768"> <thead> <tr> <th></th> <th>White</th> <th>Black</th> <th>Asian</th> <th>Mixed</th> <th>Other</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>55.1%</td> <td>20.2%</td> <td>16.4%</td> <td>6.6%</td> <td>1.8%</td> </tr> <tr> <td>2021</td> <td>48.4%</td> <td>22.6%</td> <td>17.5%</td> <td>7.65</td> <td>3.9%</td> </tr> </tbody> </table> <p>In 2021, 22.6% of Croydon residents identified their ethnic group within the "Black, Black British, Black Welsh, Caribbean or African" category, up from 20.2% in 2011. The 2.5 percentage-point change was the largest increase among high-level ethnic groups in this area.</p> <p>Across London, the percentage of people from the "Black, Black British, Black Welsh, Caribbean or African" ethnic group increased from 13.3% to 13.5%, while across England the percentage increased from 3.5% to 4.2%.</p> <p>In 2021, 48.4% of people in Croydon identified their ethnic group within the "White" category (compared with 55.1% in 2011), while 17.5% identified their ethnic group within the "Asian, Asian British or Asian Welsh" category (compared with 16.4% the previous decade).</p> <p>The percentage of people who identified their ethnic group within the "Mixed or Multiple" category increased from 6.6% in 2011 to 7.6% in 2021.</p>		White	Black	Asian	Mixed	Other	2011	55.1%	20.2%	16.4%	6.6%	1.8%	2021	48.4%	22.6%	17.5%	7.65	3.9%
	White	Black	Asian	Mixed	Other																
2011	55.1%	20.2%	16.4%	6.6%	1.8%																
2021	48.4%	22.6%	17.5%	7.65	3.9%																

			<p>Languages in Croydon</p> <p>According to the Census 2021,</p> <ul style="list-style-type: none"> • 84.0% of the residents who can speak in Croydon speak English as their first language. • 7.8% speak a European language. • 6.3% speak an Asian language. <p>Mayor urges Government to tackle the cost of living crisis London City Hall</p> <p>December 2022 - GLA YouGov Cost of living poll results.pdf (airdrive-secure.s3-eu-west-1.amazonaws.com)</p>
Sexual Orientation	None of the proposed changes are anticipated to impact this protected characteristic group more than other residents.		<p>According to the ONS Census 2021, of the residents aged 16 years and over who responded to the survey:</p> <ul style="list-style-type: none"> • 87.8% self-classified as Straight or Heterosexual. • 1.5% stated they were Gay. • 1.2% stated they were Bi-Sexual • 0.4% stated All other sexual orientations • 9.1% did not respond to the question
Pregnancy or Maternity	Changes in fees may impact on residents that are pregnant or on maternity if they are not working. However, additional benefits are provided for residents in this situation and therefore the proposed changes are expected to have minimal impact.		<p>Maternity leave: Cost of living crisis highlights need for support (personneltoday.com)</p> <p>There were 5,252 births in Croydon in 2020. An estimated 30,000 women lose their jobs as a result of pregnancy every year, according to the Equality and Human Rights Commission (EHRC).</p>

	<p>Note: Data disaggregating level of service use by protected characteristic group is unavailable or available in sufficient granularity to draw conclusions in many cases. This will be explored and refined iteratively to inform mitigating strategies wherever practical to do so.</p> <p>Important note: You must act to eliminate any potential negative impact which, if it occurred would breach the Equality Act 2010. In some situations, this could mean abandoning your proposed change as you may not be able to take action to mitigate all negative impacts.</p> <p>See Mitigations and data held in Appendix 3.</p> <p>When you act to reduce any negative impact or maximise any positive impact, you must ensure that this does not create a negative impact on service users and/or staff belonging to groups that share protected characteristics. Please use table 4 to record actions that will be taken to remove or minimise any potential negative impact</p>
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3.2 Additional information needed to determine impact of proposed change

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Table 2 – Additional information needed to determine impact of proposed change

<p>If you need to undertake further research and data gathering to help determine the likely impact of the proposed change, outline the information needed in this table. Please use the table below to describe any consultation with stakeholders and summarise how it has influenced the proposed change. Please attach evidence or provide link to appropriate data or reports:</p>		
Additional information needed and or Consultation Findings	Information source	Date for completion
<p>The council’s current data collection of protect characteristics is weak in some areas and rich in others. We are currently carrying out a project to tackle this imbalance with the support of the Head of Profession for Business Intelligence and the Equalities Manager as well as analysts and services across the organisation.</p> <p>The Corporate Management Team and the Equality, Diversity and Inclusion Board are the driving force behind this work stream.</p> <p>Currently an ‘as is’ exercise is taking place to identify areas of weakness in collection that needs to be addressed. This will be followed by a ‘to be’ looking at the information across the council that we will want to collect and how we go about doing this. Due to having to implement new process for collection this project will take place in phases.</p>	<p>Index of Deprivation by Lower Layer Super Output Areas (gov.uk).</p> <p>Other data sources to be identified and investigated.</p>	<p>Iterative</p>

For guidance and support with consultation and engagement visit <https://intranet.croydon.gov.uk/working-croydon/communications/consultation-andengagement/starting-engagement-or-consultation>

3.3 Impact scores

Example

If we are going to reduce parking provision in a particular location, officers will need to assess the equality impact as follows;

1. Determine the Likelihood of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the likelihood of impact score is 2 (likely to impact)
2. Determine the Severity of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the Severity of impact score is also 2 (likely to impact)
3. Calculate the equality impact score using table 4 below and the formula **Likelihood x Severity** and record it in table 5, for the purpose of this example - **Likelihood (2) x Severity (2) = 4**

Table 4 – Equality Impact Score

		1	2	3
	Likelihood of Impact			

Severity of Impact	3	3	6	9
	2	2	4	6
	1	1	2	3

	Risk Index	Risk Magnitude
- 9		High
- 5		Medium
- 3		Low

Key

Equality Analysis

Table 3 – Impact scores

Note: The data to populate is table is not available to inform the Equality Impact Score. Evidence for the above is drawn from the Index of Deprivation Score for the 5% most deprived areas in the country and should not be used to draw conclusions. Further research is planned to develop a more reliable indicator. And as stated previously, individual fee changes will require their own assessment, the table below represents a generic view:

Column 1 PROTECTED GROUP	Column 2 LIKELIHOOD OF IMPACT SCORE	Column 3 SEVERITY OF IMPACT SCORE	Column 4 EQUALITY IMPACT SCORE
	Use the key below to score the likelihood of the proposed change impacting each of the protected groups, by inserting either 1, 2, or 3 against each protected group. 1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact	Use the key below to score the severity of impact of the proposed change on each of the protected groups, by inserting either 1, 2, or 3 against each protected group. 1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact	Calculate the equality impact score for each protected group by multiplying scores in column 2 by scores in column 3. Enter the results below against each protected group. Equality impact score = likelihood of impact score x severity of impact score.
Age	2	2	4
Disability	2	2	4
Gender	1	1	1
Gender reassignment	1	1	1
Marriage / Civil Partnership	2	1	2
Race	2	2	4
Religion or belief	2	1	2
Sexual Orientation	1	1	1
Pregnancy or Maternity	2	2	4

Equality Analysis

4. Statutory duties

4.1 Public Sector Duties

Tick the relevant box(es) to indicate whether the proposed change will adversely impact the Council's ability to meet any of the Public Sector Duties in the Equality Act 2010 set out below.

- Advancing equality of opportunity between people who belong to protected groups X
- Eliminating unlawful discrimination, harassment and victimisation
- Fostering good relations between people who belong to protected characteristic groups X

Important note: If the proposed change adversely impacts the Council's ability to meet any of the Public Sector Duties set out above, mitigating actions must be outlined in the Action Plan in section 5 below.

5. Action Plan to mitigate negative impacts of proposed change

Important note: Describe what alternatives have been considered and/or what actions will be taken to remove or minimise any potential negative impact identified in Table 1. Attach evidence or provide link to appropriate data, reports, etc:

Mitigations

Residents currently pay specific fees and charges for a wide range of activities and services such as building control services, planning application, car parking, leisure activities, care related charges etc. An increase in fees will affect all those in, and out of the borough, who pay to use specific service(s). It appears that there is no significant disproportionate impact on groups or individuals that share one or more protected characteristic. The Council has in place various schemes to support residents who experience financial difficulty, some of whom will fall within the protected characteristic groups and may be affected by the proposed increases, to help mitigate impact. Listed below are some examples of what support is currently available, taken from a wide range of support schemes across the council.

Equality Analysis

- The council in partnership with Nimbus Disability offer a discount card to all children and young people on our disability register. The card is free and is part of a national access card scheme, giving benefits and discounts to facilities and activities across the country, such as leisure, sports and fitness, cinema etc.
- There are discounted rates for all leisure centre activities for Croydon residents with disabilities. If a disabled person needs a carer with them in order to access leisure centre services, the carer is entitled to free entry.
- Croydon council Leisure Centres offer discounted rates for residents Seniors 60+ years and Juniors 4-15 years
- Croydon Council Money Advice Service for advice on paying your bills and debt worries. All advice is independent and confidential.
- Council tax discount for care leavers, single person occupier, residents with disabilities, full-time students.
- Healthy Homes is Croydon Council's free energy advice service aimed at Croydon residents on low incomes, and those more vulnerable to the effects of living in a cold home (especially families with young children, older residents, and residents with pre-existing medical conditions).
- The council has a statutory duty to protect those on low or, or no income, and supports with claims for Council Tax support, Housing Benefit, universal Credit.
- Adult Social Care users are subject to a means tested financial assessment which will assess affordability to contribute to, or not, to service provision required (as defined by the Care Act 2014).

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Table 6. Decision on proposed change

Based on the information outlined in this Equality Analysis enter X in column 3 (Conclusion) alongside the relevant statement to show your conclusion.		
Decision	Definition	Conclusion - Mark 'X' below
No major change	Our analysis demonstrates that the policy is robust. The evidence shows no potential for discrimination and we have taken all opportunities to advance equality and foster good relations, subject to continuing monitoring and review. If you reach this conclusion, state your reasons and briefly outline the evidence used to support your decision.	

Equality Analysis

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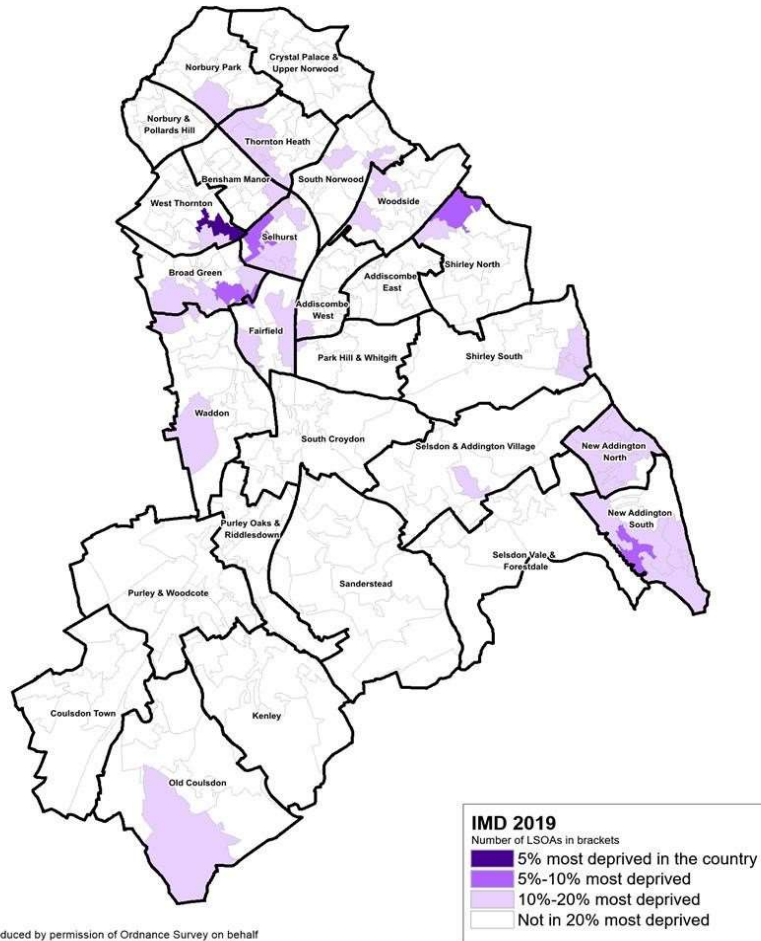
Adjust the proposed change	<p>We will take steps to lessen the impact of the proposed change should it adversely impact the Council’s ability to meet any of the Public Sector Duties set out under section 4 above, remove barriers or better promote equality. We are going to take action to ensure these opportunities are realised. If you reach this conclusion, you must outline the actions you will take in Action Plan in section 5 of the Equality Analysis form</p> <p>Whilst changes in fees and charges may impact in some cases, this impact is considered to be minimal as set out in the information above.</p> <p>Mitigations and adjustments are already in place to support residents that may help them manage debt or financial vulnerability detailed. This includes signposting and discretionary support.</p> <p>Service departments will need to collate data on their service users to monitor impact. Some departments will have existing service level data regarding some protected characteristics and not others. Where data does not currently exist, each service must create an action around collecting data across all protected characteristics. As data is received the EQIA should be updated, demonstrating data and evidence where change has been made.</p> <p>Residents should be provided with details of support organisations in both digital and non-digital formats</p>	X
Continue the proposed change	<p>We will adopt or continue with the change, despite potential for adverse impact or opportunities to lessen the impact of discrimination, harassment or victimisation and better advance equality and foster good relations between groups through the change. However, we are not planning to implement them as we are satisfied that our project will not lead to unlawful discrimination and there are justifiable reasons to continue as planned. If you reach this conclusion, you should clearly set out the justifications for doing this and it must be in line with the duty to have due regard and how you reached this decision.</p>	
Stop or amend the proposed change	<p>Our change would have adverse effects on one or more protected groups that are not justified and cannot be mitigated. Our proposed change must be stopped or amended.</p>	
Will this decision be considered at a scheduled meeting? MAB / Cabinet		Meeting title: Cabinet Date: tbc

Equality Analysis

7. Sign-Off

Officers that must approve this decision	
Equalities Lead	Name: McCausland, Denise Position: Equalities Programme Manager
Director	Name: Gavin Handford Date: 30 Jan 23 Position: Director of Programmes, Policy & Performance

Indices of Deprivation 2019 Croydon Lower Super Output Areas (LSOAs)



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INFOGRAPHIC 1

In Croydon, 1567 people live amongst the 5% most deprived in the country (Dark Blue)

In this area,

- 50% are male (Croydon 49%)
- 27% are 0-15 (Croydon 22%)
- 30% are White ethnic group (Croydon 55%)
- 35% are Black / African / Caribbean / Black British ethnic group (Croydon 20%)
- 24% are Asian / Asian British ethnic group (Croydon 16%)
- 7% are Mixed / multiple ethnic group (Croydon 7%)
- 4% are Other ethnic group (Croydon 2%)

LONDON BOROUGH OF CROYDON

REPORT:	Cabinet	
DATE OF DECISION	22 February 2023	
REPORT TITLE:	Capital Programme and Capital Strategy 2022/23 to 2026/27	
CORPORATE DIRECTOR	Corporate Director of Resources and Section 151 Officer	
LEAD OFFICER:	Jane West Corporate Director of Resources and Section 151 Officer	
LEAD MEMBER:	Cllr Jason Cummings – Lead Member for Finance	
DECISION TAKER:	Executive Mayor in Cabinet	
AUTHORITY TO TAKE DECISION:	Cabinet Report	
KEY DECISION? [Insert Ref. Number if a Key Decision]	Yes	REASON: Key Decision – Decision incurs expenditure, or makes savings, of more than £1,000,000 or such smaller sum which the decision-taker considers is significant having regard to the Council’s budget for the service or function to which the decision relates and Key Decision – Decision significantly impacts on communities living or working in an area comprising two or more Wards
CONTAINS EXEMPT INFORMATION?	NO	Public
WARDS AFFECTED:	All	

1 SUMMARY OF REPORT

- 1.1** This report sets out the updated capital programme for 2023/24-2026/27 for the Council’s General Fund with a forecast of resources available over that period. A specific update of the 2022/23 programme including the forecast and variance as at Period 8 is also provided.
- 1.2** This report is a step-change from previous reporting on capital budgets as this now is a stand-alone Report as part of the Budget suite of papers taken to Full Council. Capital Budgeting setting has improved considerably to previous years and this stand-alone report allows for increased transparency and

clearly showcases key projects the Council aims to deliver to support Croydon residents.

- 1.3** The Capital Programme sets out the strategic direction for Croydon's capital management and investment plans, as detailed in Appendix A, and is an integral part of the medium to long term financial and service planning and budget setting process. It sets out the principles for prioritising the capital investment under the prudential system. Prudential indicators which are required under the 2020 Prudential Code are included within the Treasury Management Strategy provides as a separate Agenda Item to the Cabinet meeting.
- 1.4** The Council continues to deliver significant capital investment across the Borough which will provide improved facilities and infrastructure, whilst ensuring the impact on debt costs within the revenue budget is managed.
- 1.5** Croydon's drivers for the Capital Programme are:



2 RECOMMENDATIONS

For the reasons set out in the report and its appendices, The Executive Mayor in Cabinet, recommended to approve and to recommend the following to Full Council:

- 1.6** Agree the Council's 2023/24 to 2026/27 General Fund Capital Programme which includes planned expenditure of £305.67m (including capitalisation directions) across the four years.
- 1.7** Note that the Council will incur borrowing of £169.53m (including £162m of Capitalisation Direction) in 2022/23, with further borrowing projected of

£45.82m in 2023/24 and £28.36m over the three years after 2023/24. The cost of this borrowing is factored into the Council's Medium Term Financial plan resulting in 2023-24 total interest charge and Minimum Revenue Provision of £61.3m

- 1.8 Approve the Council 2023/24 Housing Revenue Account Capital Programme with a total investment planned of £32.62m with borrowing of nil.
- 1.9 Approve the Council's Capital Strategy, drafted with the support of PwC, as detailed within Appendix A of this report.

3 REASONS FOR RECOMMENDATIONS

- 1.10 The Cabinet and Full Council are required to approve the Council's Capital Programme under the Council's Constitution and all expenditure of £1m requires Cabinet approval for capital spend under the Council's Scheme of Delegation.

4 Background

- 1.11 The Capital Programme has spent over £610m (including £115.8m for Capitalisation Direction in 20/21 and 21/22) over the last three years of which over £450m in borrowing has been incurred to finance the spend.
- 1.12 The Council's key objectives which are set out in the Mayor's Business Plan which can be found on the Council's website under the following link:

<https://democracy.croydon.gov.uk/documents/s41649/6a%20Appendix%20-%20Executive%20Mayors%20Business%20Plan%20FINAL.pdf>

These key objectives comprise:

1. The council balances its books, listens to residents, and delivers good, sustainable services.
 2. Croydon is a place of opportunity for business, earning and learning.
 3. Children and young people in Croydon have the chance to thrive, learn and fulfil their potential.
 4. Croydon is a cleaner, safer, and healthier place, a borough we're proud to call home.
 5. People can lead healthier and independent lives for longer.
- 1.13 Capital investment should evidence how it will support the priorities and principles set out in Business Plan along with individual Directorate strategies. New bids to the Capital Programme have been assessed against the Council's

objectives and the other Capital Strategy drivers outlined within Appendix A as part of the Capital budget setting process.

5 Capital Governance Arrangements

- 1.14** The Council has an established governance arrangement embedded within its current Constitution - Part 4C - Budget and Policy Framework Procedure Rules of the Constitution. The Executive is responsible for the preparation of proposed plans, strategies or budgets that form part of the Budget and Policy Framework.
- 1.15** Just in the same manner as for the Revenue Budget, the Capital Budgets under Part 4C require a Full Council approval. Part 4H – Financial Regulations provide the governance framework for managing the Council’s financial affairs. They apply to all Members, officers of the Council and anyone acting on its behalf. It is likely to be considered a disciplinary offence to breach these Financial Regulations and procedures.
- 1.16** The Regulations apply to capital budgets and the Chief Financial Officer is responsible for ensuring that a capital programme is set annually along with financial management process to enable capital budgets to be monitored effectively. The Council has produced for the 2022/23 monthly updates to Cabinet on progress of its capital programme to the budget that was set at Full Council in March 2022.
- 1.17** To strengthen the scrutiny and review of Capital delivery and progress against budget, the Council has established a Capital Internal Control Board which meets monthly and consists of key Officers from across the expert areas and services. Whilst the Capital Board is not a formal arrangement within the Constitution, it forms a key part of the improvements being made to capital management within the Council.
- 1.18** The Capital Board provides the added review and scrutiny role on delivery of the capital programme along with submission of new bids. The Board acts as a key gateway to support the Corporate Management Team and the Mayor in making informed decisions whilst ensuring risks are identified and managed.

6 Capital Expenditure

Capital Spend Key Principles

- 1.19** Consideration should be given to the following key principles before submitting a capital bid:

- 1.19.1.** Spend included in business cases must conform to the definition of capital expenditure i.e., “the purchase or enhancement of assets where the benefits last longer than the year of expenditure”. Croydon applies a de-minimis level of £10k meaning that anything below this value individually is classed and treated as revenue.
- 1.19.2.** Given the Council’s challenging financial position, projects coming forward that require Croydon to borrow funding should be kept to a bare minimum.
- 1.19.3.** Feasibility/planning costs must be met from a revenue budget until approval to spend has been agreed through the relevant route, these should therefore be built into the revenue budget and be considered as part of the budget build process.
- 1.19.4.** Ongoing revenue implications must be included within business cases and identified as pressures in the revenue budget.
- 1.19.5.** Realistic profiling of budgets must be provided from the outset. Without this, the limited funding available could be assigned to a project which is delayed, preventing an alternative but more viable project from proceeding. In many cases grants and external funding are time limited and delays in the project could lead to losing precious external funds.
- 1.19.6.** Where the Council is required to provide match funding in order to receive external funding, consideration must be given to Council’s objectives. Is the project sufficiently aligned to meeting the Council’s strategic outcomes to warrant the match funding? The council has identified sufficient resources to match fund these projects. Consideration must also be given to grant or external funding conditions and officer time and cost it will take to comply.
- 1.19.7.** Maximise use of existing assets where it is cost effective to do so. Look for full occupancy of the asset in terms of space and length of time the asset is in use. This could mean looking for synergies with other organisations (for example, the One Public Estate programme with key partners).
- 1.19.8.** Longevity/flexibility of asset – consider how the asset will conform with longer term service delivery plans? Has flexibility of the use of the asset been considered?

- 1.19.9.** Officers and Members must not commit funds until projects have been through the correct governance procedure.
- 1.19.10.** A robust financial, legal, HR equalities and other related impact assessments are needed for the Council's investment decisions.
- 1.19.11.** All schemes must pass through the Capital Board for necessary scrutiny and approval to the next stage. This ensures each project receives a review to assess wider Council implications and to test all relevant matters are discussed and best practice is shared.

Capital Expenditure

- 1.20** The Council will ensure that appropriate capital budget is allocated on a risk assessed approach, to meet statutory requirements, such as basic need, health and safety, disability discrimination act (DDA) and other legal requirements as directed by Government. Nonetheless, just because there is a statutory requirement, capital bids will still need to explore alternative options to satisfy the affordability requirement. This will need to include proactively seeking external funding, such as grants or alternative contributions to finance capital spend.
- 1.21** During 2022/23 the year the Council has carried out a detailed review of its Capital budgets which included halting the carrying forward of slippage of programme from 2021/22 until the exercise had been completed. The slippage from 2021/22 has now been approved at the January 2023 Cabinet and the aim of the review exercise was to ensure the Council only carried out schemes that were value for money and met the key criteria for spend under the existing Mayor's Business Plan. Appendix D provides table breaking down the movement of capital budgets across the Directorates since the start of the year and adjustments that were applied to ensure only agreed schemes are delivered.
- 1.22** The detailed review resulted in £27.03m of budgets being removed from the programme, £5.16m of unapproved slippage and £17.28m of improved re-profiling of budgets to reflect the delivery timeframe of projects. Further review opportunities will be considered next financial year to continue to generate better value of money from deployment of Council resources.
- 1.23** The Council is projecting to spend £254.54m in 2022/23 and is expecting to spend £125.37m in 2023/24, £88.70m in 2024/25 and further £92.61m in future years after 2024/25. The table below provides a summary level breakdown of spend per Council Directorate with scheme detail provided in Appendix B of this report.

Directorate	2022/23 Budget	Forecast	Variance	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Housing	4,392	3,038	(1,354)	3,393	2993		
Assistant Chief Executive	6,965	7,495	530	7,087	2,154	-	-
Children, Young People & Education	7,930	5,325	(2,605)	12,013	11,480	4,200	-
Sustainable Communities, Regen & Economic Development	36,345	26,809	(9,536)	32,906	29,808	24,774	18,632
Resources	8,255	6,330	(1,925)	5,970	4,263	3,500	3,500
Corporate	190,649	190,649	0	63,000	38,000	38,000	
Total General Fund Capital Programme	254,536	239,646	(14,890)	124,369	88,698	70,474	22,132

- 1.24** Capitalisation directions contribute significantly to the Capital Programme, and this spend is necessary to meet the challenges in revenue account, the provision of the direction for years after 2023/24 is a projection and will be re-considered during the year. Table above includes a total of previously approved projects along with new BIDs requested by Directorate for current and future years. Specific schemes where new BIDs have submitted in 2022/23 for future years are provided in Appendix C.
- 1.25** The inclusion of new BIDs has been tested at Capital Internal Control Board to ensure the expenditure plans meet the Council's objectives and provide value for money for Croydon's residents.
- 1.26** The Capital Programme focuses on repairs and maintenance spend to ensure the Council's assets are maintained to decent standards and so they continue to perform in the delivery of the Council services to residents.
- 1.27** Within the Capital Programme the Council is also committing significant monies towards investing in various information technology and property assets so that it leads to an improved service provision whilst ensuring a more cost-effective delivery of services. These investments include upgrading the financial system, procuring enhanced software and hardware to support housing and social care services and providing staff with upgraded equipment to improve productivity.
- 1.28** The Council's ambition to protect educational infrastructure and improve pupil attainment to support the local economy form a large proportion of the capital programme. A total of £35.29m over 4 years is provided for upgrading and expanding schools' infrastructure. This includes the vital investment in Special

Education Need schools to ensure children and their parents have Council support, a key pledge by the Mayor as part of his Business Plan.

- 1.29** A total of £99.68m over 4 years is earmarked to be spent on the Borough's infrastructure ranging from highway maintenance to tree works and working with TfL to deliver the Local Implementation Plan. This investment is important to support the ambition of Croydon becoming a cleaner, safer and healthier place.

Capitalisation Direction

- 1.30** The Council's Medium Term Financial Strategy includes the provision of a capitalisation direction from Government to support the budget gap within the General Fund Revenue Account. Capitalisation Direction allows local authorities to charge its revenue expenditure to capital monies and hence pay for revenue costs using capital funds. Capital funds that can be applied include capital receipts and borrowing and it will be up to the Council to identify the best source at year end.
- 1.31** The capitalisation direction is a relaxation of the accounting convention that ensures that revenue costs should be met from revenue resources only and that councils should not "borrow" or used capital funds to fund revenue expenditure. This does mean that if the Council chooses to borrow to fund its direction, relevant interest costs will be charged to the Council's revenue account along with additional minimum revenue provision charges which will need to be set aside from revenue to pay back the principal repayments for the borrowing.
- 1.32** Croydon has been supported by capitalisation directions of £70m, £50m and £25m for 2020/21, 2021/22 and 2022/23 respectively. These directions have come with specific request from Government which includes:
- 1.32.1.** Any further borrowing from the date of the capitalisation up to and including, but not exceeding, the increase in the financing requirement must be obtained from the PWLB (Public Works Loan Board) and must be subject to an additional 1 percentage point premium on the interest rate above the rate the loan would otherwise be subject to and;
- 1.32.2.** The Council shall charge annual Minimum Revenue Provision using the asset life method with a proxy 'asset life' of no more than 20 years
- 1.33** The Council's 2023/24 Financial Plan indicates a £63m gap to its budget requirement and this is being supported by a further capitalisation direction request from Government.

Transformation

- 1.34** The Council's financial challenges have required a review into how services are delivered, and investment opportunities have been identified to deliver the services in a more cost-effective manner. The transformation programme is a key driver for this change and is aimed at improving the Council's systems, processes and structures to ensure it delivers services to its residents with improved value for money outcomes.
- 1.35** Section 16 of the 2022/23 Budget report detailed the Transformation Plan, and the capital programme supports that ambition through the allocation of £4m in 2022/23 to deliver the transformation outcomes. This will be funded using capital receipts as required under Local Government Act 2003 Sections 16 and 20. The Council's asset disposal plan will generate sufficient capital receipts to pay for these transformation costs.
- 1.36** The Council has a further ambitious Transformation plan which is included in Appendix D of the budget report for Medium-Term Financial Strategy report with funding of £10m earmarked within the Revenue budget to support the delivery.

7 Capital Financing

- 1.37** Table below provides a summary of the key funding sources the Council expects to use to pay for the capital spend as indicated in section 6 above.

Funding Source	2022/23 Budget	Forecast	Variance	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CIL	(2,856)	(1,552)	(1,304)	(1,778)	(807)	-	-
s106	(550)	(444)	(106)	(1,605)	(1,159)	(691)	(711)
HRA Contribution	(1,742)	(1,742)	-	(1,147)	-	-	-
Reserves - Growth Zone	(6,888)	(2,971)	(3,917)	(4,900)	(4,900)	(4,900)	(4,900)
Grant	(18,297)	(13,127)	(5,170)	(24,116)	(23,662)	(8,745)	(2,468)
Cap Receipt	(55,049)	(55,049)	-	(45,000)	(50,000)	(50,000)	
Borrowing	(169,153)	(164,761)	(4,393)	(45,823)	(8,170)	(6,138)	(14,053)
Total GF Capital Funding	(253,535)	(239,646)	(14,890)	(124,369)	(88,698)	(70,474)	(22,132)

- 1.38** The capital programme is required to have its own funding sources and whilst revenue resources can be used to fund capital spend, capital funds cannot be used to fund revenue spend.

- 1.39** It is always cost effective for the Council to utilise non-debt financing to fund the capital spend as this does not result in increased revenue costs which include Minimum Revenue Provision and interest charges. However, such alternative sources of funding are not always available to finance projects that are driven by the Council's own priorities. If sufficient capital receipts or revenue are also not available, borrowing becomes a necessity.
- 1.40** The current capital programme relies significantly on debt financing and the implications of this are further explained below. Between 2022/23 to 2026/27 of the capital programme the Council is expected to borrow £247.74m, which represents 43.9% of the total financing sources. Grant funding, at £77.29m, is the next main source of financing the capital programme and this supports education and highway infrastructure spend.
- 1.41** The Council is exploring options to generate further capital receipts and an Asset Management Plan was presented to Cabinet on 30th November 2022 which detailed the delivery plan along with a range of assets the Council is willing to dispose.

Debt Financing

- 1.42** Croydon currently has external borrowing of £1.3bn in the General Fund and a further £0.300bn in the Housing Revenue Account. This means that the Council is already considerably highly leveraged and the MTFs indicates that c£47m is set aside to pay for Minimum Revenue Provision and interest costs. Any further borrowing for the Capital Programme will only add to the debt pile and further increase costs to the revenue account. The projected borrowing of £243.34m represents approximately 19% of additional debt on top of the existing debt balance. This poses considerable future risks particularly to the revenue account because of servicing the debt. Serious consideration on sustainability will need to be assessed and the Treasury Management Strategy further highlights the risk.
- 1.43** When delivering the capital programme, the Council is required to have due regard for the Prudential Code and ensure that the Council's debt levels and borrowing levels do not exceed its own prudential limits. The Code requires councils to formulate plans that are affordable, prudent and sustainable. The MTFs report has made it clear that current debt levels are not sustainable, and the Council has sought extraordinary financial support from Government to ensure the Council's finances are put on a sustainable footing for the future.

8 Housing Revenue Account Capital Programme

1.44 The Housing Revenue Account (HRA) continues to make improvements to with stock management and Council appointed Savills to carry out a detailed review of the capital programme to continue the necessary investment within the Housing Stock.

1.45 The Housing team are developing a full asset management strategy which forms part of the housing transformation plan and will detail the long-term plan for the management of the investment of Council housing assets over a 10 year horizon. The 2023/24 capital programme is provided in table below which supports the development of the asset management strategy aims of meeting the manifesto promise to turn around and provide a housing service which we can be proud of.

HRA Capital Expenditure	Revised Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
	£'000	£'000	£'000	£'000	£'000
Asset management ICT database	155				
Major Repairs and Improvements Programme	22,083	31,476	32,462	32,967	31,689
Trellis Mews	3,377				
NEC Housing System	1,742	1,147			
Regina Road - if it's a rebuild			14,105	14,105	
Extensive refurbishment on buildings over 60 years old			20,000	20,000	
Fire safety, Damp & Mould			10,000	10,000	
Improving Housing capacity			5,000	5,000	
LPS Blocks additional programme			-	15,300	
HRA Contingency			1,000	600	
Total HRA Capital Expenditure	27,357	32,623	82,567	97,972	31,689

1.46 The scale of social housing is extensive as the plan indicates a total investment of £244.8m between 2023/24 and 2026/27. The programme will deliver extensive repairs and improvement works to the existing housing stock which will improve the living conditions of all tenants. Extensive refurbishment works planned on older buildings along with a whole new re-build of Regina Road Estate is planned to commence next year as key engagement has already taken place with the residents.

1.47 The HRA has capacity within its account to take on more debt and through work done with Savills a sustainable financing solution has been developed by the Housing team to meet the capital expenditure plans. Table below details the key funding sources the HRA has earmarked to apply to the delivery programme which includes a projection of £115.11m of new borrowing which will be fully financed from the revenue account.

HRA Capital Financing	Revised Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
	£'000	£'000	£'000	£'000	£'000
Major Repairs Reserve	(12,336)	(15,457)	(14,879)	(15,191)	(15,434)
Revenue	-	(13,900)	(15,443)	(15,615)	(14,072)
Reserves	(13,821)	(1,148)	-	-	-
RTB receipts	-	(2,118)	(2,140)	(2,161)	(2,183)
Grant	(1,200)	-	-	-	-
Borrowing	-	-	(50,105)	(65,005)	-
Total HRA Capital Financing	(27,357)	(32,623)	(82,567)	(97,972)	(31,689)

9 Next Steps and Ongoing Improvements

- 7.1** Over the course of 2022/23 significant issues with regards to capital were addressed. Oversight of the Capital Programme was brought into the corporate finance team where a holistic and council wide approach was provided and which enabled an improved approach to the way capital monitoring and budget setting was consolidated. This has allowed the Council to better profile its budgets over the life of the projects and to present a 4 year capital programme rather than a single year position, which has been the case in the past.
- 7.2** The introduction of the post of Director of Commercial Investment and Capital to act as the Chair of the Capital Internal Control Board provided much needed structure and focus to managing delivery of the capital programme.
- 7.3** However, there is much more to be done and whilst key foundations have been set within the Council to manage the Capital Programme, there are a number of improvements still to implement. As indicated within the Capital Strategy (Appendix A) the Council has a number of key areas of improvement that will need to be addressed. The focus of the capital programme operational arrangements will be to ensure that whilst meeting the requirements as detailed within this report, the further recommendations advised by PwC are also delivered.
- 7.4** Further work will be carried out into improving the Governance arrangements and the preparation of business cases so that they meet key industry standards.

10 IMPLICATIONS

7.5 FINANCIAL IMPLICATIONS

- 7.5.1** Financial implications have been provided through out this report. The Capital Programme has been provided for within the Council's Medium Term Financial Plan.
- 7.5.2** The Council has high costs of borrowing and therefore careful and prudent management of the Capital Budgets is required to avoid unnecessary costs to the Revenue account.
- 7.5.3** The capital program budget reduction over the three financial years is £22.79m and are made up of 2022-23 reduction of £13.16m, a further reduction for 2023-24 is £2.79m and the final year reduction for 2024-25 is 6.84m
- 7.5.4** The approved capital program for 2021-22 was 131.90m of which the total capital slippage request was £25.27m. Due to capital programs not proceeding there was a reduction in the slippage request of £5.16m and a final slippage request of £20.26m.

Comments approved by Alan Layton Interim Head of Service, Finance on behalf of the Corporate Director of Resource. (Date 9/02/2023)

7.6 LEGAL IMPLICATIONS

10.2 LEGAL IMPLICATIONS

- 10.2.1 Under Section 1 of the Local Government Act 2003 ("LGA") ("Power to borrow"), a local authority may borrow for any purpose relevant to its functions or for "the prudent management of its financial affairs".
- 10.2.2 Under Section 3(1) and (8) of the LGA ("Duty to determine affordable borrowing limit") the Council must determine and keep under review how much money it can afford to borrow, and the function of determining and keeping these levels under review is a Council, rather than an executive function.
- 10.2.3 Sections 15 and 21 (1A) of the LGA requires the Council to have regard to any guidance issued by the Secretary of State and guidance about account practices to be followed in particular with respect to the charging of expenditure to a revenue account. Consequently, the Council is required to have regard to the "Statutory guidance on Local Government Investments 3rd Edition" and the "Statutory guidance on minimum revenue provision" issued under this provision.

10.2.4 The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) make provisions for the capital finance and accounts under the LGA 2003. Regulation 2 requires the Council to have regard to the “Prudential Code for Capital Finance in Local Authorities” issued by CIPFA when determining, under section 3 of the LGA, how much money they can afford to borrow. Regulations 23 and 24 provide respectively that capital receipts may only be used for specified purposes and that in carrying out its capital finance functions, the Council must have regard to the code of practice in “Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes” issued by CIPFA.

10.2.5 Regulations 25 and 26 provide for expenditure which is, and which is not, to be treated as capital expenditure for the purposes of LGA 2003. Regulation 27 provides that local authorities must charge to a revenue account a minimum amount (“minimum revenue provision”) and may charge to a revenue account an additional amount, in respect of the financing of capital expenditure. The minimum revenue provision is calculated in accordance with regulations 28 to 29.

10.2.6 Under the Council’s Budget and Policy Framework Procedure Rules, the Executive is responsible for the preparation of proposed plans, strategies or budgets that form part of the Budget and Policy Framework, including plans or strategies for the control of the Council’s borrowing or capital requirement. The proposals in this report will therefore form part of proposals for submission to full Council.

10.2.7 Under the Council’s Financial Regulations, the Chief Financial Officer is responsible for ensuring that a balanced revenue budget and capital programme and budget, are prepared on an annual basis.

Comments approved by the Director of Legal Services and Monitoring Officer.

7.7 HUMAN RESOURCES IMPLICATIONS

7.7.1 There are no immediate Human Resources implications arising from this report

Comments approved: by Gillian Bevan, Head of HR Resources and Assistant Chief Executives Directorates 13/1/23

7.8 EQUALITIES IMPLICATIONS

7.8.1 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.

- 7.8.2** The Council must, therefore, ensure that we have considered any equality implications in respect of the Capital programme and Strategy. the Council has an established Equality Impact Assessment process, with clear guidance, templates and training 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 protected characteristics under Equality Act 2010.
- 7.8.3** The objectives of the Mayor's Business plan are focused on delivering good sustainable services and creating opportunities for all residents of Croydon including children and young people. The proposals in the Capital programme are likely to impact on residents, the extent of which and the characteristics most affected can only be identified following further analysis once the proposals have been developed.
- 7.8.4** During the MTFs process, proposals which impact on people are subjected to equality analysis using a data driven approach and offer mitigation to people most affected.
- 7.8.5** We commit to ensuring that we meet our legal requirements under the Equality Act 2010 to our residents including Disabled residents and the parents of Disabled residents in respect of children and young people.
- 7.8.6** We have identified areas of improvement in relation to the collection of data across directorates and are committed to improving this to enable our decisions to be more evidence based and robust.

Approved By: Denise McCausland Equality Programme Manager

7.9 OTHER IMPLICATIONS

None

8. APPENDICES

Appendix A - Capital Strategy 2023/24
Appendix B - 2023/24 to 2026/27 CAPITAL PROGRAMME
Appendix C - New BIDS 2022-27 CAPITAL PROGRAMME
Appendix D - Movement in Capital Budget in 2022/23

9. BACKGROUND DOCUMENTS

None

Appendix A – Capital Strategy 2023/24

Appendix B – 2023/24-26/27
CAPITAL PROGRAMME

			REVISED CAPITAL PROGRAMME				
CAP BID No.	PROJECT NAME	SPEND and Funding TYPE	2022/23	2023/24	2024/25	2025/26	2026/27
			(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
GF CAP 04	Disabled Facilities Grant	Spend	3,992	2,993	2,993	-	-
GF CAP 04	Disabled Facilities Grant	Grant	-3,992	-2,993	-2,993	-	-
GF CAP 05	Empty Homes Grants	Spend	400	400	-	-	-
HOUSING			400	400			
GF CAP 03	Bereavement Services	Spend	1,775	-	-	-	-
GF CAP 92	Bereavement Service Vehicles	Spend	39	-	-	-	-
GF CAP 85	My Resources Interface Enhancement)	Spend	75	185	-	-	-
GF CAP 86	Network Refresh	Spend	141	335	626	-	-
GF CAP 87	Tech Refresh	Spend	610	300	160	-	-
GF CAP 88	Geographical Information Systems	Spend	65	260	-	-	-
GF CAP 90	Laptop Refresh	Spend	222	3,349	1,264	-	-
GF CAP 91	Cloud and DR	Spend	198	221	104	-	-
GF CAP 89	Synergy Education System	Spend	1,030	673	-	-	-
GF CAP 66	Uniform ICT Upgrade System	Spend	130	-	-	-	-
GF CAP 93	NEC Housing System	Spend	2,680	1,764	-	-	-
GF CAP 93	NEC Housing System	HRA	-1,742	-1,147			
ASSISTANT CHIEF EXECUTIVE			5,223	5,941	2,154	-	-
GF CAP 08	Education – Fire Safety Works	Spend	776	152			
GF CAP 08	Education – Fire Safety Works	Grant	-776	-152			
GF CAP 09	Education - Fixed Term Expansions	Spend	747	2,540	2,993		
GF CAP 09	Education - Fixed Term Expansions	Grant	-747	-2,540	-2,993		

GF CAP 10	Education - Major Maintenance	Spend		4,062	4,200	4,200	4200	
GF CAP 10	Education - Major Maintenance	Grant		-4,062	-4,200	-4,200	-4200	
GF CAP 11	Education - Miscellaneous	Spend		134				
GF CAP 11	Education - Miscellaneous	CIL		-134				
GF CAP 12	Education - Permanent Expansion	Spend		319				
GF CAP 12	Education - Permanent Expansion	Grant		-319				
GF CAP 13	Education – Secondary Estate	Spend		39				
GF CAP 14	Education – Secondary Estate	Grant		-39				
GF CAP 14	Education - SEN	Spend		1,853	4,792	4,287		
GF CAP 14	Education - SEN	Grant		-947	-4,521	-4,287		
GF CAP 14	Education - SEN	CIL		-906	-271			
GF CAP 79	Angel Lodge Children Home	Spend			329			
GF CAP 79	Angel Lodge Children Home	Grant			-329			
CHILDREN'S, YOUNG PEOPLE & EDUCATION				0	0	0	0	0
GF CAP 15	Allotments	Spend		200				
GF CAP 73	Fairfield Halls-Council Fixtures & Fittings FFH	Spend		574				
GF CAP 25	Growth Zone	Spend		5,988	4,000	4,000	4,000	4,000
GF CAP 25	Growth Zone	Growth Zone		-5,988	-4,000	-4,000	-4,000	-4,000

GF CAP 26	Grounds Maintenance Insourced Equipment	Spend	1,000	200			
GF CAP 27	Highways	Spend	8,618	8,618	8,618	8,618	8,618
GF CAP 29	Highways - flood water management	Spend	895	435	435	435	435
GF CAP 30	Highways - bridges and highways structures	Spend	2,611	1,663	2,663	5,513	
GF CAP 30	Highways - bridges and highways structures	Grant	-1,008	-1,163	-1,463	-2,013	
GF CAP 30	Highways - bridges and highways structures	CIL	-1200				
GF CAP 31	Highways - Tree works	Spend	56				
GF CAP 31	Highways - Tree works	Spend	-56				
GF CAP 81	Local Authority Tree Fund	Spend	96	67	67	67	
GF CAP 81	Local Authority Tree Fund	Grant	-96	-67	-67	-67	
GF CAP 82	Trees Sponsorship	Spend	46				
GF CAP 82	Trees Sponsorship	Grant	-46				
GF CAP 84	Leisure centres equipment Contractual Agreement	Spend	430	146	337	585	0
GF CAP 83	Leisure Centre - Tennis Court	Spend	75				
GF CAP 33	Leisure Equipment Monks Hill Gym	Spend	306	165			
GF CAP 34	Libraries Investment - General	Spend	224	807	807		
GF CAP 34	Libraries Investment - General	CIL		-807	-807		
GF CAP 80	Central Library Digital Discovery Zone	Spend		175			
GF CAP 80	Central Library Digital Discovery Zone	Grant		-150			
GF CAP 76	Library Self-Service Kiosks	Spend	200				
GF CAP 76	Library Self-Service Kiosks	CIL	-200				
GF CAP 77	New Investment to South Norwood Library	Spend		520			
GF CAP 39	Parking	Spend	2,731	1,336	1,662		
GF CAP 39	Parking	Grant	-180	-166			

GF CAP 99	Park Asset Management	Spend		700	1,000	1,000	1,000
GF CAP 95	Removal of Pay & Display	Spend	366	1,097			
GF CAP 41	Play Equipment	Spend	150	300			
GF CAP 43	Safety - digital upgrade of CCTV	Spend	1,551				
GF CAP 46	Signage	Spend	274	137	0	0	0
GF CAP 47	South Norwood Good Growth	Spend	1,121	139			
GF CAP 47	South Norwood Good Growth	s106	-4	-41			
GF CAP 47	South Norwood Good Growth	Grant	-36				
GF CAP 47	South Norwood Good Growth	Grant	-1,081	-98			
GF CAP 48	Kenley Good Growth	Spend	583	265			
GF CAP 48	Kenley Good Growth	s106		-138			
GF CAP 48	Kenley Good Growth	Grant	-583	-127			
GF CAP 49	Sustainability Programme	Spend	550	550			
GF CAP 49	Sustainability Programme	CIL	-550	-550			
GF CAP 50	TFL - LIP	Spend	4,835	10,112	9,709	4,050	4,050
GF CAP 50	TFL - LIP	s106	-444	-1,007	-762	-300	-300
GF CAP 50	TFL - LIP	Grant	-2,185	-3,434	-4,415	-2,350	-2,350
GF CAP 50	TFL - LIP	Growth Zone	-900	-900	-900	-900	-900
GF CAP 50	TFL - LIP	Grant	-160				
GF CAP 50	TFL - LIP	Grant	-645	-4,272	-3,131		
GF CAP 53	Waste and Recycling Investment	Spend	1558	1,000			
GF CAP 96	Cycle Parking	Spend	226	106	118	124	133
GF CAP 96	Cycle Parking	s106	-62	-70	-75	-79	-85
GF CAP 96	Cycle Parking	Grant	-164	-36	-43	-45	-48
GF CAP 97	EVCP – Electric Vehicle Charging Point	Spend	1,081	368	392	382	396
GF CAP 97	EVCP– Electric Vehicle Charging Point	Grant	-441				
GF CAP 97	EVCP– Electric Vehicle Charging Point	s106	-40	-350	-322	-312	-326

GF CAP 97	EVCP– Electric Vehicle Charging Point	Grant		-126	-18	-70	-70	-70
GF CAP 97	EVCP– Electric Vehicle Charging Point	Grant		-474				
SUSTAINABLE COMMUNITIES, REGEN & ECONOMIC DEVELOPMENT				19,676	15,512	13,753	14,638	10,553

GF CAP 56	Asset Strategy - Stubbs Mead	Spend		50	500	150		
GF CAP 57	Asset Strategy Programme	Spend		25	240	113		
GF CAP 17	Brick by Brick programme	Spend		4,150	-	-		
GF CAP 78	Former New Addington Leisure Centre	Spend			600	-		
GF CAP 59	Clocktower Chillers	Spend		30	382	-		
GF CAP 60	Corporate Property Maintenance Programme	Spend		2,500	2,500	2,500	2500	2500
GF CAP 18	Fairfield Halls - Council	Spend		1,500	500	500		
GF CAP 24	Fieldway Cluster (Timebridge Community Centre)	Spend			248			
GF CAP 100	Contingency	Spend			1,000	1,000	1,000	1,000
RESOURCES				8,255	5970	4,263	3,500	3,500

GF CAP 68	Capitalisation Direction	Spend		25,000		-		
GF CAP 68	Capitalisation Direction	Cap Rcp		-21,000				
GF CAP	Capitalisation Direction - New	Spend		161,600	63,000	38,000	38,000	
GF CAP	Capitalisation Direction - New	Cap Rcp		-30,000	-45,000	-50,000	-50,000	
GF CAP 69	Transformation Spend (Flexible Capital Receipts)	Spend		4,049				
GF CAP 69	Transformation Spend (Flexible Capital Receipts)	Cap Rcp		(4,049)				
CORPORATE				135,600	18,000	-12,000	-12,000	

TOTAL – NET GENERAL FUND CAPITAL Borrowing				169,153	45,823	8,170	6,138	14,053
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Appendix C - New BIDS 2022-27 CAPITAL PROGRAMME

REVISED CAPITAL PROGRAMME

CAP BID No.	PROJECT NAME	2022/23	2023/24	2024/25	2025/26	2026/27
		£,000	£,000	£,000	£,000	£,000
CAP 79	Angel Lodge Children Home		329			
	CHILDREN'S, YOUNG PEOPLE & EDUCATION	-	329	-	-	-
GF CAP 80	Central Library Digital Discovery Zone		175			
GF CAP 77	New Investment to South Norwood Library		520			
GF CAP 98	Car Club		166	174	174	174
GF CAP 33	Leisure Equipment Monks Hill Gym		165			
GF CAP 95	Removal of Pay & Display	366	1,097			
GF CAP 81	Local Authority Tree Fund	96	67	67	67	
GF CAP 82	Trees Sponsorship	46				
GF CAP 84	Leisure centres equipment Contractual Agreement	430	146	337	585	0
GF CAP 83	Leisure Centre - Tennis Court	75				
GF CAP 76	Library Self-Service Kiosks	200				
GF CAP 96	Cycle Parking	226	106	118	124	133
GF CAP 97	Electric Vehicle Charging Point	1,081	368	392	382	396
GF CAP 78	Former New Addington Leisure Centre		600	-		
GF CAP 99	Park Asset Management		700	1,000	1,000	1,000
	SUSTAINABLE COMMUNITIES, REGEN & ECONOMIC DEVELOPMENT	2,520	4,110	2,088	2,332	1,703

GF CAP 92	Bereavement Service Dumper Trucks	39	-	-	-	-
GF CAP 85	My Resources Interface Enhancement	75	185	-	-	-
GF CAP 86	Network Refresh	141	335	626	-	-
GF CAP 87	Tech Refresh	610	300	160	-	-
GF CAP 88	Geographical Information Systems	65	260	-	-	-
GF CAP 90	Laptop Refresh	222	3,349	1,264	-	-
GF CAP 91	Cloud and DR	198	221	104	-	-
GF CAP 93	NEC Housing System	2,680	1,764	-	-	-
GF CAP 89	Synergy Education System	1,030	673	-	-	-
	ASSISTANT CHIEF EXECUTIVE	5,060	7,087	2,154	-	-
GF CAP 101	New Capitalisation Direction	161,600	63,000	38,000	38,000	
GF CAP 100	Contingency		1,000	1,000	1,000	1,000
	RESOURCES	161,600	64,000	39,000	39,000	1,000

Appendix D – Movement in Capital Budget in 2022/23

General Fund Capital Programme	Approved Budget March 2022	Proposed Slippage from 2021/22	Unapproved slippage from 2021-22	Capital Budget Review Adjustment	New Budget Request 2022/23 £'000	Budgets no longer Required	Reprofile Budgets to Future Years	Revised 2022-23 Budget Subject to Cabinet Approval
	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ADULTS	1,707	-		(269)		(1,438)		-
HOUSING	3,493	1,399	(400)	-	-	(100)		4,392
ASSISTANT CHIEF EXECUTIVE	14,028	2,659		(573)	5,060	(14,209)		6,965
CHILDREN'S, FAMILIES & EDUCATION	15,964	4,730					(12,764)	7,930
SUSTAINABLE COMMUNITIES, REGEN & ECONOMIC RECOVERY	37,861	14,341	(4,765)	(2,867)	2,520	(7,466)	(3,279)	36,345
RESOURCES	11,834	2,142		(404)		(3,814)	(1,803)	8,255
CORPORATE	2,500	-		1,549				4,049
SUB TOTAL	87,387	25,271	(5,165)	(2,564)	7,880	(27,027)	(17,283)	67,936
Capitalisation Direction	25,000				161,600			186,600
Total	112,387	25,271	(5,165)	(2,564)	169,480	(27,027)	(17,283)	254,536

LONDON BOROUGH OF CROYDON

CAPITAL STRATEGY

February 2023

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1 FOREWORD

- 1.1.1. The Capital Strategy presented is a significant improvement on past documents and the significant investment in its production reflects the Council's commitment to the improvement journey the Council is on. It is a key strategic document providing a high-level overview of how capital expenditure, capital financing, investments, liabilities and treasury management activity contribute to the provision of services, together with an overview of how associated risk is managed.
- 1.1.2. The Capital Strategy recognises the complex and challenging financial and operational circumstances in which the Council continues to find itself. The Mayoral Business Plan Objective 1 is that the Council '*balances its book, listens to residents and delivers good, sustainable services*'. This Capital Strategy shows a 2023/24 Capital Programme that is reduced in scale and cost compared to previous years. With around £1.3bn of General Fund debt and an environment of rising interest rates the delivery of an effective Asset Management Plan and an ambitious Asset Disposal Strategy, including reducing the number of buildings used by the Council, will be essential to mitigate rising cost pressures, reduce the overall debt burden and help the Council balance its books.
- 1.1.3. The Capital Strategy presented here and associated capital framework will continue to be improved over coming months and years.

2 INTRODUCTION

- 2.1.1 Local Authorities are required by regulation to have regard for the Chartered Institute of Public Finance & Accountancy (CIPFA) Prudential Code 2021 which sets out a framework to ensure that the capital expenditure plans of Local Authorities are affordable, prudent and sustainable. The 2018 revision of the Prudential Code introduced the requirement for local authorities to produce a Capital Strategy representing their approach to financial planning. The 2021 revision of the Prudential Code further amended the requirements for a Capital Strategy including the need to address environmental sustainability consistent with the Council's corporate policies and setting and revising prudential indicators with regards to decision making on capital investment.
- 2.1.2 Capital expenditure referred to in the strategy is consistent with the definition within CIPFA Accounting Code of Practice as:

"...Expenditure that results in the acquisition, construction, or the enhancement of non-current assets (tangible or intangible) in accordance with proper practices... All other expenditure must be accounted for as revenue expenditure unless specifically directed by the Secretary of State."
- 2.1.3 A Capital Strategy is defined as a key strategic document that provides a high level overview of how capital expenditure, capital financing, investments, liabilities and treasury management activity contribute to the provision of

services, together with an overview of how associated risk is managed and the implications for future financial sustainability.

- 2.1.4 A Capital Programme is defined as an internal working document for elected councillors and officers that identifies agreed capital projects, showing the total cost of capital projects and the projected phasing of those capital projects over current and future financial years.
- 2.1.5 This document sets out how the London Borough of Croydon (hereafter 'the Council') takes capital expenditure and investment decisions in line with service objectives and overall organisational strategy. Its aim is to ensure decisions are being made with sufficient regard to the long-term financing implications and potential risks to the authority.
- 2.1.6 This Capital Strategy provides the foundation for the Council's long-term management and delivery of its Capital Programme. It sets the policy framework for the Capital Programme and shows how capital expenditure, capital financing and treasury management activities will be undertaken to drive the Council's ambition to achieve long-term financial sustainability.
- 2.1.7 The Capital Strategy is one of a number of documents¹ that forms a fundamental part of the ongoing strategic planning of the Council. Subject to Cabinet approval, it will be updated periodically and at least once a year to reflect new priorities, schemes and methods of finance introduced.
- 2.1.8 This document is an improvement on previous versions of the Capital Strategy with the Council recognising it is at the starting point of its journey towards developing a robust and effective Capital Framework in the future. The document reflects the progress made to date by the Council to improve the governance and financial management of the Capital Programme following recommendations from the two Reports in the Public Interest (RIPI). The Council understands that the initial improvements put in place are the foundations of good practice and is focused on building upon these over the coming months and years.

3 CONTEXT

- 3.1.1 The Capital Strategy recognises the complex and challenging financial and operational circumstances in which the Council continues to find itself following two Reports in the Public Interest (RIPI) published by its external auditor² in October 2020³ and January 2022⁴ and subsequent reviews into its financial

¹ Budget Report (Medium Term Financial Strategy), Fees and Charges Paper, Treasury Management Strategy, P8 Financial Performance Report, Housing Revenue Account Budget and 30 Year Business Plan.

² Grant Thornton UK LLP

³ Report in the Public Interest (RIPI 1) concerning the Council's financial position and related governance arrangements

⁴ Report in the Public Interest (RIPI 2) concerning the refurbishment of Fairfield Halls and related governance arrangements.

management arrangements. The reports highlighted grave governance, operational and financial failures within the Council and made a series of recommendations in relation to capital that are considered throughout this document.

- 3.1.2 Two Section 114 notices issued in November and December 2020 declared the Council's inability to balance its books and compelled it to seek exceptional financial support. The Council developed the Croydon Renewal Plan to support its application to secure financial support of £150m from the Government in the form of a capital direction, alongside which the Government appointed the Improvement and Assurance Panel (IAP) to provide external advice, challenge and expertise to the Council.
- 3.1.3 The Council's priority, as articulated in the Mayoral Business Plan of July 2022 (MBP) is to be financially and operationally sustainable, and one of the first acts by the Mayor was to launch the 'Opening the Books' initiative. Housing Revenue Account and General Fund recharges, non-deliverability of savings, Minimum Revenue and Bad Debt Provision charges are requiring changes to be made to the Council's accounts from 2019/20.
- 3.1.4 The review also highlighted concerns regarding value for money and Investment decisions as the Council has incurred £300m of debt in investing in assets which have not retained their value and therefore the level of debt exceeds the value of the investment assets. In the three years between 2017/18-2019/20 the Council borrowed £545m⁵ with no focused debt management plan in place. The majority of this debt comprises short-term borrowings which has left the council exposed to current higher interest rates. The debt is anticipated to be refinanced from 2023 onwards and therefore likely to drive significant increases in annual repayments levels.
- 3.1.5 The Council's current debt burden is £1.6bn⁶ and includes £330m Housing Revenue Account debt. At present, an estimated £47m is required to service this debt from the General Fund which represents 16% of the Council's net budget. The Council's borrowing and debt burden has therefore become critical to the sustainability of the Council's revenue budget.
- 3.1.6 The Council has concluded that the expenditure it is anticipated to incur in each year of the period of 2023/24 - 2026/27 is likely to exceed the financial resources available and that reaching financial and operational sustainability without further government assistance will not be possible. On 23rd November 2022 the Council issued a third Section 114 notice in relation to balancing its budget from 2023/24 onwards.
- 3.1.7 In response to its financial situation the Council is considering a range of actions including increasing Council Tax and flexible use of Growth Zone business rates, asset disposals and a range of transformation proposals. Dialogue with the

⁵ Medium Term Financial Strategy 2023/24 to 2025/26 Update 30 November 2022

⁶ Medium Term Financial Strategy 2023/24 to 2025/26 Update 30 November 2022

Department for Levelling Up, Housing and Communities (DLUHC) continues, and the Council is seeking further financial support from Government in regards to its level of indebtedness and balancing the budget to ensure it can deliver sustainable local government services.

- 3.1.8 Against this financial backdrop the Council's Capital Programme will be significantly impacted. The Council's high level of short-term borrowing and cost pressures from increased interest rate rises means the programme has been reduced to comprise only core programmes and schemes that i) the Council are committed to commercially, ii) deliver savings in management and maintenance costs, and iii) avoid future cost increases.
- 3.1.9 The Council's property and other assets are also being reviewed to inform the approach to raise finance through sales in order to minimise borrowing costs, although the Council anticipates that the capital receipts will not reduce debt levels sufficiently to make the Council financially sustainable.
- 3.1.10 Several external macroeconomic factors may impact the delivery of the Capital Programme and its financing decisions. Recent high inflation has caused the Bank of England to increase interest rates, hence potentially putting additional cost pressures on the Council for loan repayments. Current levels of inflation as well as some challenges in the supply chain may also impact the delivery of the Capital Programme both from a cost and skill perspective. Furthermore, high debt levels incurred by the government during the Covid-19 pandemic may put additional pressure on local government funding.

4 MAYORAL BUSINESS PLAN 2022-2026

4.1 OVERVIEW

- 4.1.1 The Mayoral Business Plan (MBP) 2022-26 provides the framework within which the Capital Strategy has been developed and sets out the Council's objectives and priorities to strengthen governance and management systems, achieve financial and operational sustainability and complete the transformation of the Council over the next four years.
- 4.1.2 The MBP sets out a vision for Croydon consisting of five outcomes to be achieved and priority aims and high-level actions required to deliver these outcomes as summarised below.

4.2 THE FIVE OUTCOMES

- The Council balances its book, listens to residents and delivers good, sustainable services
- Croydon is a place of opportunity for business, earning and learning
- Children and young people in Croydon have the chance to thrive, learn and fulfil their potential

- Croydon is a cleaner, safer and healthier place, a borough we're proud to call home
- People can lead healthier and independent lives for longer

4.2.2 The supporting priorities for each outcome are:

- ***Outcome 1: The Council balances its book, listens to residents and delivers good, sustainable services***
 - Get a grip on the finances and make the Council financially sustainable
 - Become a Council which listens to, respects and works in partnership with Croydon's diverse communities and businesses
 - Strengthen collaboration and joint working with partner organisations and the voluntary, community and faith sectors (VCFS)
 - Ensure good governance is embedded and adopt best practice
 - Develop our workforce to deliver in a manner that respects the diversity of our communities
- ***Outcome 2: Croydon is a place of opportunity for business, earning and learning***
 - Support the regeneration of Croydon's town and district centres, seeking inward investment and grants
 - Deliver a vibrant London Borough of Culture which showcases local talent and supports Croydon's recovery
 - Support the local economy and enable residents to upskill and access job opportunities
- ***Outcome 3: Children and young people in Croydon have the chance to thrive, learn and fulfil their potential***
 - Ensure children and young people have opportunities to learn, develop and fulfil their potential
 - Make Croydon safer for young people
 - Work closely with health services, Police and the VCFS to keep vulnerable children and young people safe from harm
- ***Outcome 4: Croydon is a cleaner, safer and healthier place, a borough we're proud to call home***
 - Make our streets and open spaces cleaner so that Croydon is a place that residents and businesses can feel proud to call home

- Tackle anti-social behaviour, knife crime and violence against women and girls so that Croydon feels safer
- Invest in council homes to drive up standards and develop a more responsive and effective housing service
- Ensure new homes are safe, well-designed and in keeping with the local area
- Lead action to reduce carbon emissions in Croydon
- ***Outcome 5: People can lead healthier and independent lives for longer***
 - Work with partners and the VCFS to promote independence, health and wellbeing and keep vulnerable adults safe
 - Work closely with health services and the VCFS to improve resident health and reduce health inequalities
 - Foster a sense of community and civic life

4.2.3 Capital programme expenditure is a key tool in achieving the MBP outcomes and priorities. Targeted investment can provide the Council with the assets it needs to deliver high quality, value for money services, however, the Council's limited financial resources and capacity constraints place significant emphasis on the need to prioritise capital investment decisions to meet outcomes and priorities. In the near term this will mean the continuation of reduced spending, a wholesale transformation of working practices and embedding a strong governance structure across the authority to ensure value for money from the Capital Programme expenditure.

4.2.4 Delivering the outcomes and priorities of the MBP will have direct implications on the development of the Capital Strategy and the Capital Programme. The capital framework articulated within this document will therefore prioritise the following:

- Capital investment being targeted towards supporting the Council's corporate objectives.
- Capital investment being prudent, sustainable, affordable and providing value for money.
- Capital projects being delivered on time and within budget.
- Council staff having a common understanding of the long-term context in which capital investment decisions are made and all the financial risks to which the Council is exposed.
- Improved transparency at Capital Programme level along with a clear process for Council staff engagement.
- Improvement in approving and amending the Capital Programme and for scrutinising decisions relating to capital expenditure.

- Commitment to ensure Council staff has the skills, and expertise needed to effectively manage and deliver the Capital Programme.
- Strengthening the Capital Programme management function by streamlining governance, monitoring and reporting processes.
- Ensuring a sound financial position is maintained through sustainable deployment of resources.
- The Council is appropriately responding to the recommendations raised in the Reports in the Public Interest and Croydon Financial Review.

5 CAPITAL PROGRAMME

5.1 OVERVIEW

- 5.1.1 The Capital Programme will support the Council to achieve long term financial sustainability whilst enabling the Mayoral Business Plan over future years. It is expected that as the Council moves towards a position of financial sustainability it will become better placed to deliver on the ambition of the Business Plan. All capital projects will need to demonstrate how they will meet the Business Plan's priorities and outcomes before inclusion in the Capital Programme. The Capital Strategy and Capital Programme will therefore need to develop accordingly.
- 5.1.2 The 2023/24 Capital Programme sets out planned capital expenditure over the Medium Term Financial Plan period of 4 years. The adoption of a four year timeframe is to ensure capital expenditure is profiled to mirror the delivery of the capital projects. It shows how each project is linked to the Council's priorities and summarises planned expenditure and funding.
- 5.1.3 The 2023/24 Capital Programme reflects a reduction in scale and cost compared to previous years and includes only core programmes and schemes, which have been assessed on the basis of:
- Requirement to meet health and safety
 - Supports invest to save
 - Mandatory or statutory requirement
 - Significant contribution to Council Plan and Mayor's objectives
 - Projects that have secured external funding
 - Any overspends for projects already in the Capital Programme
 - Minimum level of repairs and maintenance to retain existing asset values

- 5.1.4 During the year of 2022/23 the Council carried out a detailed review of its Capital budgets which included halting the carrying forward of slippage of programme from 2021/22 until the exercise had been completed. The slippage from 2021/22 has now been approved at the January 2023 Cabinet and the aim of the review exercise was to ensure the Council only carried out schemes that were value for money and met the key criteria for spending under the existing Mayor's Business Plan.
- 5.1.5 The detailed review resulted in £27.03m of budgets being removed from the programme, £5.16m of unapproved slippage and £17.28m of improved re-profiling of budgets to reflect the delivery timeframe of projects. Further review opportunities will be considered next financial year to continue to generate better value of money from deployment of Council resources.

5.2 CAPITAL PROGRAMME EXPENDITURE

- 5.2.1 Capital Programme expenditure is provided for within the General Fund and Housing Revenue Account budgets. The annual budget is the formal resource allocation process that enables the delivery of the Council's policies and priorities. Under statutory responsibility, the Council is required to reinvest in maintaining housing stock at decent standards which is a fundamental aim of the Housing Revenue Account.
- 5.2.2 The General Fund is the core account which summarises the cost of all services (except those related to Social Housing) provided by the Council's directorates including Housing, Assistant Chief Executive, Children, Young People and Education, Sustainable Communities, Regeneration and Economic Development, Resources and Corporate.
- 5.2.3 The Housing Revenue Account is a ring-fenced account used to manage income and costs associated with managing the Council's owned housing stock and related assets, which includes shops and garages on Council housing estates. It comprises 20,292 housing and related asset types with 13,424 General Rent dwelling stock⁷. The HRA is funded primarily from tenants' rents and service charges.

5.3 GENERAL FUND CAPITAL PROGRAMME

- 5.3.1 **Table 1** provides a summary of Capital Programme expenditure from the General Fund by future years including the current Capital Programme year of 2022/23 per Council Directorate.

⁷ Housing Revenue Account (HRA) 30 Year Business Plan 2021- 2051 and HRA Capital Programme 22/23, Appendix 2 Details of HRA Tenant Type

Table 1 - General Fund Capital Programme Expenditure (£'000)

Directorate	2022/23 Budget	2023/24	2024/25	2025/26	2026/27
Housing	4,392	3,393	2,993		
Assistant Chief Executive	6,965	7,087	2,154	-	-
Children, Young People & Education	7,930	12,013	11,480	4,200	-
Sustainable Communities, Regen & Economic Development	36,345	32,906	29,808	24,774	18,632
Resources	8,255	5,970	4,263	3,500	3,500
Corporate	190,649	63,000	38,000	38,000	
Total General Fund Capital Programme	254,536	124,369	88,698	70,474	22,132

5.3.2 The Council is projecting to spend **£254.54m** in 2022/23 and planned expenditure of **£305.67m** (including capitalisation directions) from 2023/24 across the four remaining years of the Capital Programme.

5.3.3 The Capitalisation directions contribute significantly to the Capital Programme and is required to support the budget gap within the General Fund Revenue Account. The year of 2023/24 indicates a £63m gap to its budget requirement and is being supported by a further capitalisation direction request from the Government. The provision of the direction for years after 2023/24 is a projection and will be re-considered due course.

5.3.4 The current 2022/23 Capital Programme expenditure of £254.54m has been revised up from the budget approved in March 2022 which comprised £112.1m from the General Fund Capital Programme from a total of £134.2m with the additional £22.1m attributable to the HRA.⁸

5.3.5 Table 2 provides a summary breakdown of the 2022/23 budgets moving from the beginning of the year and to the present-day amount.

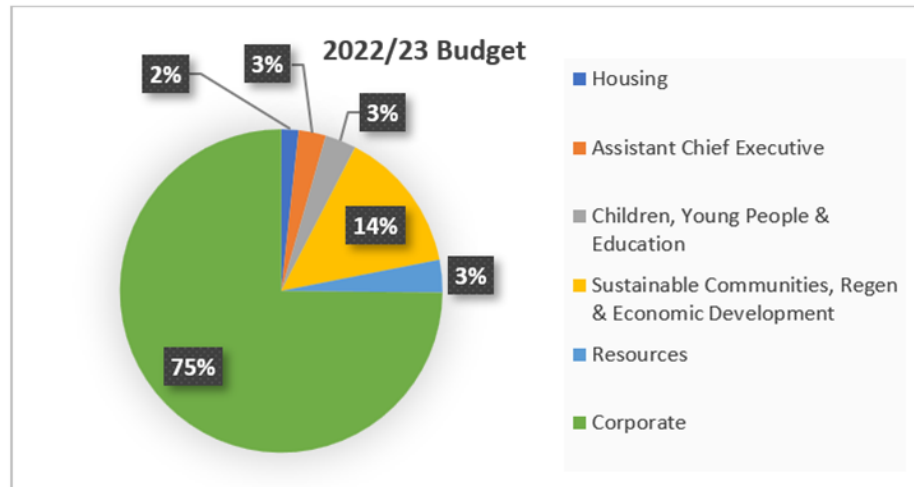
⁸ Financial Performance Report – Month 6 (September 2022) & Period 6 Capital Monitoring Final Submission Excel Spreadsheet

Table 2 - Movement in Capital Budget in 2022/23

General Fund Capital Programme	Approved Budget March 2022	Proposed Slippage from 2021/22	Unapproved slippage from 2021-22	Capital Budget Review Adjustment	New Budget Request 2022/23 £'000	Budgets no longer Required	Reprofile Budgets to Future Years	Revised 2022-23 Budget Subject to Cabinet Approval
	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23
ADULTS	1,707	-		(269)		(1,438)		-
HOUSING	3,493	1,399	(400)	-	-	(100)		4,392
ASSISTANT CHIEF EXECUTIVE	14,028	2,659		(573)	5,060	(14,209)		6,965
CHILDREN'S, FAMILIES & EDUCATION	15,964	4,730					(12,764)	7,930
SUSTAINABLE COMMUNITIES, REGEN & ECONOMIC RECOVERY	37,861	14,341	(4,765)	(2,867)	2,520	(7,466)	(3,279)	36,345
RESOURCES	11,834	2,142		(404)		(3,814)	(1,803)	8,255
CORPORATE	2,500	-		1,549				4,049
SUB TOTAL	87,387	25,271	(5,165)	(2,564)	7,880	(27,027)	(17,283)	67,936
Capitalisation Direction	25,000				161,600			186,600
Total	112,387	25,271	(5,165)	(2,564)	169,480	(27,027)	(17,283)	254,536

5.3.6 **Chart 1** demonstrates the current 2022/23 Capital Programme expenditure by Directorate. The Corporate expenditure elements comprise 75% of the total budget for the year. The use of a £161.6m agreed Capitalisation Direction approved by the Department of Levelling Up, Housing and Communities (DLUHC) to provide support for the financial year makes up 85% of the £190.6m under the Corporate expenditure category.

Chart 1 - General Fund Capital Programme Expenditure 2022/23



5.3.7 The 2023/24 Capital Programme is future looking and comprises key projects and assets continuing to incur expenditure from previous Capital Programme years and includes additional, new projects that have obtained approval.

5.3.8 **Table 2** summarises the key project areas within each of the Council's Directorates and includes corporate items which comprise the Capitalisation Direction from DLUHC and transformation projects.

Table 2 - General Fund Capital Programme Composition

Directorates	Key Project Areas
Housing	<ul style="list-style-type: none"> • Disabled Facilities Grant • Empty Homes Grants
Adult Social Care and Health	<ul style="list-style-type: none"> • Adult Social Care Provision • Sheltered Housing
Assistant Chief Executive	<ul style="list-style-type: none"> • Bereavement Services • Systems Upgrade • Network, Software and Technological Equipment refresh
Children's, Young People & Education	<ul style="list-style-type: none"> • Fire Safety Works • Fixed Term Expansions • Major Maintenance • Permanent Expansion • Secondary Estate • Angel Lodge Children Home
Sustainable Communities, Regeneration and Economic Recovery	<ul style="list-style-type: none"> • Allotments • Growth Zone • Highways • Local Authority Tree Fund

	<ul style="list-style-type: none"> ● Trees Sponsorship ● Central Library Digital Discovery Zone ● Parking ● Play Equipment ● South Norwood Good Growth ● Kenley Good Growth
Resources	<ul style="list-style-type: none"> ● Asset Strategy ● Former New Addington Leisure Centre ● Clocktower Chillers
Corporate	<ul style="list-style-type: none"> ● Capitalisation Direction ● Transformation Spend

5.3.9 The 2023/24 Capital Programme includes the regeneration of the Regina Road housing estate in Norwood. The Council have undertaken an in-depth review and set out options including refurbishment or redevelopment of the estate. The future of the estate is a key part of the Council's housing improvement plan and the exact details on the options will be developed in due course. Further details of individual schemes are provided in **Appendix 1**.

5.3.10 As part of its journey towards financial recovery and sustainability, the Council has devised a programme of cross-directorate transformation projects. Whilst still in development, the Transformation Programme comprises over 30 projects which aim to improve the Council's governance systems, structures and processes whilst driving significant revenue savings.

5.3.11 Alongside funding provision within revenue budget projections for 2023/24, funding of £4.05m has been made available within the 2022/23 Capital Programme under the government's Flexible Use of Capital Receipts policy directive and will ensure the Council continues to focus on aligning sufficient resources to deliver savings, improvements and transformation projects. To date, savings of £3.04m have been identified for 2023/24 from proposed capital expenditure under the Transformation Programme.

5.4 HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME

5.4.1 **Table 3** provides a summary of Capital Programme expenditure from the Housing Revenue Account by future years including the current Capital Programme year of 2022/23.

Table 3 - Housing Revenue Account (HRA) Capital Programme Expenditure (£'000)

HRA Capital Expenditure	Revised Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
Asset management ICT database	155				
Major Repairs and Improvements Programme	22,083	31,476	32,462	32,967	31,689
Trellis Mews	3,377				
NEC Housing System	1,742	1,147			
Regina Road - if it's a rebuild			14,105	14,105	
Extensive refurbishment on buildings over 60 years old			20,000	20,000	
Fire safety, Damp & Mould			10,000	10,000	
Improving Housing capacity			5,000	5,000	
LPS Blocks additional programme			-	15,300	
HRA Contingency			1,000	600	
Total HRA Capital Expenditure	27,357	32,623	82,567	97,972	31,689

5.4.2 The Capital Programme Expenditure from the Housing Revenue Account is £27.4m for the year of 2022/23 and a total expenditure of £244.8m between 2023/24 and 2026/27.

5.4.3 The programme will deliver extensive repairs and improvement works to the existing housing stock which will improve the living conditions of all tenants. Extensive refurbishment works planned on older buildings along with a whole new rebuild of Regina Road Estate is planned to commence next year as key engagement has already taken place with the residents.

5.4.4 The 2022/23 plan for capital investment in major repairs and improvements to stock is included in **Table 4** below and was agreed by the Council in March 2022.⁹

⁹ The £21.3m for Major Repairs and Improvements Programme within Table 2 - Capital Programme Expenditure from HRA reflects expenditure from the revised Capital Programme and highlights a variance of -£690k from the approved budget figure of £22.0m.

Table 4 - 2022/23 Capital Programme Repairs of Existing Stock

Work Type	Budget (£'000)
General Building Works	8,368
Electrical Works	3,390
Mechanical Works	1,600
Lift Works	465
Window	3,000
Compliance & Fire Safety	2,310
Staffing	1,800
Other	1,150
Total	22,083

Housing Revenue Account 30 Year Business Plan

- 5.4.5 The Council has appointed Savills to support the development of the HRA 30 year business plan from 2022/23 for 30 years onwards with their report expected to go to Cabinet in February and March 2023 respectively. The 30-year Business Plan 2021-2051 provides consideration to both capital and revenue investments required for the management and maintenance of the Council's housing stock. The key focus of the Housing Revenue Account Business Plan is on the medium-term (first five years) as there is more certainty on costs, demands, resources and pressures, to enable the prioritisation of housing investment. The Plan will be used as a tool to assess the impact of decision making around stock acquisition and maintenance and will align with the HRA Asset Management Plan.
- 5.4.6 The Housing Revenue Account 30-year Business Plan addresses the outcomes and priorities within the Mayoral Business Plan by investing in housing stock to ensure all residents' homes are safe, warm, and dry, and aims to improve the Council's housing stock and invest in significantly reducing its carbon footprint over the life of the Plan. This will help the Council to live within its means, balance the books and provide value for money for residents, along with tackling ingrained inequality and poverty within the borough and providing the best quality core services.

6 ASSET MANAGEMENT PLAN 2022-2027

6.1 OVERVIEW

- 6.1.1 To ensure that capital assets continue to provide maximum value for the Council and contribute to its long-term vision, a new Corporate Asset Management Plan (AMP) and outline Property strategy was approved in November 2022.

- 6.1.2 The AMP provides clear guidance on the way that the Council will manage its assets¹⁰ effectively and strategically to reflect both corporate priorities and community demands within the Borough as articulated within the Mayor's Business Plan and the Croydon Renewal Improvement Plan. The AMP is also aligned to the Council's priorities for 2022-25 as set out in the Medium-Term Financial Strategy (MTFS).
- 6.1.3 Assets are a corporate resource and the Council, through its Resources Directorate, has responsibility for obtaining the approval and subsequent monitoring of the AMP, its constituent priorities and any related decision-making and resource allocation regarding Council assets.
- 6.1.4 The Corporate Management Team (CMT) provides oversight and direction to the Asset Management Plan to ensure management of the Council's assets is considered corporately, including decisions in relation to the Council deciding to sell, buy, rent or hold assets.

6.2 VISION AND PRIORITIES

- 6.2.1 The Council's property assets should support service delivery, enable regeneration and development, or generate income. Property assets will be reviewed over the next four years in line with the corporate priorities of the AMP, which are listed below:
- **Maximise the use of council assets** - this will include:
 - **Asset Review and Challenge Programme** to assess how operational buildings are used and the performance of the investment estate
 - **Property Management Governance Framework** to support asset review, challenge and decision making
 - **Disposal Strategy** to focus on the release of surplus assets
 - **Review of Operational Asset Management** that focuses on a new programme of condition surveys to inform the maintenance programme, health & safety and risk
 - **Housing and regeneration** focusing on delivering new housing, workplaces, and job opportunities through the identification, release and development of surplus sites
 - **Future property approach** to reflect the evolving societal impacts of the Covid-19 pandemic such as flexible working practices

¹⁰ The AMP does not consider the Housing Revenue Account (Housing Revenue Account) assets or community schools in any detail as these are the subject of separate strategies

- **Sustainable estate** to develop a carbon re-fit, plant replacement and maintenance program to support carbon neutral targets and improve energy efficiency

6.2.2 These priorities aim to contribute to the overall ambitions of the Capital Strategy by ensuring asset decisions are being made with sufficient regard to the long-term financial position of the Council and the requirement to become financially sustainable.

6.3 SUPPORTING FINANCIAL SUSTAINABILITY

6.3.1 With around £1.3bn of debt for the General Fund brought forward at the start of 2022/23 and interest rates rising when that debt is scheduled for refinancing, the development and implementation of a robust Asset Management Plan, Corporate Property Strategy and Asset Disposal Strategy is essential to mitigate rising cost pressures and reduce the overall debt burden to the Council.

6.3.2 With the continued requirement to deliver both revenue savings and capital receipts, the number of buildings that are used by the Council to deliver services will need to be reduced. This can be achieved through the better utilisation of space, the adoption of hybrid working and adoption of different methods of delivery to residents. In some cases, changes may lead to the cessation of some non-statutory services altogether. The Asset Review and Challenge Programme will be used to review and challenge the use of property assets whilst the principles established within the Asset Disposal Strategy 2022-2027 will be used to identify and bring forward future proposals (see below).

6.3.3 The Housing team is developing a full asset management strategy which forms part of the housing transformation plan and will detail the long-term plan for the management of the investment of Council housing assets over a 10year horizon.

6.4 ASSET REVIEW AND CHALLENGE

6.4.1 The Asset Review and Challenge Programme is a process to continually review the Council's portfolio on a rolling basis to ensure that only assets that are performing to acceptable levels are retained or invested in. The c.120 buildings the Council occupies and delivers core services from are included in this Programme.

6.4.2 The Programme will initially consider a review of all corporate assets and consider them against current service delivery needs. The resultant proposal will include timelines to reflect known or anticipated service delivery changes and future opportunities. It will also consider the complexity around the relocation of services where this is necessary as well as opportunities that may arise through contract expiries and the release of assets currently used to deliver these functions.

6.4.3 As part of the ongoing governance process an officer group will be set up to monitor the performance of assets looking at current occupation levels, running costs and opportunities for revenue/capital generation. This will then enable

asset use and performance to be reviewed against the performance of other boroughs and available benchmark data.

- 6.4.4 The Asset Review and Challenge Programme will inform the Asset Disposal Strategy by establishing which assets are most fundamental to the Council's service delivery and should be retained, and which assets are low-priority or surplus. The implementation of the programme and subsequent rationalisation and/or disposal of current assets will help to deliver further capital receipts to reduce the Council's capital financing costs, debt burden and overall running costs.
- 6.4.5 Purley Pool will be a part of the Asset Review and Challenge process. The Mayor is committed to reopening Purley Pool and Leisure Centre and the Council is currently considering different options available to bring the closed pool and leisure centre back into use. Due to the challenging financial situation facing the Council any reuse options will have to be considered with regard to potential costs being incurred in refurbishing and modernising the pool and leisure centre for future use. Discussions are presently on-going regarding the most appropriate option and the Council will report the outcome in due course.

6.5 ASSET CONDITION

- 6.5.1 An important element of the overall AMP is the delivery of a new condition survey programme for the main corporate assets over the next 18-24 months. This was one of the key issues highlighted by the Improvement and Assurance Panel as a formal programme for undertaking condition surveys was stopped in 2016. The previous 5 year rolling programme of surveys could mean that some buildings have not been surveyed in detail for 11 years.
- 6.5.2 The new programme of surveys is an integral part of the new AMP and is being separately procured. This will provide a more detailed understanding as to the current condition of the main corporate assets. The work will also provide recommended budgets for necessary repairs and expenditure over the next 5-10 years to allow a more accurate basis for budgeting for both capital and revenue spend. It will also help to highlight those assets that need major investment and may no longer be cost effective to retain.

6.6 SUSTAINABLE ESTATE

- 6.6.1 The Council declared a climate change and ecological emergency in July 2019 and Cabinet agreed that the Council would become carbon neutral by 2030. A wide range of actions have already been undertaken in Croydon to combat climate change.
- 6.6.2 Achieving carbon neutrality by 2030 will require significant financial investment. The financial investment will need to be funded from a variety of sources, including Council driven expenditure as well as external allocations from the business sector and available grant-funding streams. The Council will primarily look at introducing sustainable interventions through replacing old assets that need replacement with sustainable alternatives.

- 6.6.3 One of the key elements from an asset perspective in addressing the Climate Emergency will be through better building performance. This will become more focused over the next few years with the changes to the Energy Performance requirements for buildings that are being let or disposed of. The energy performance of Council properties will be a key consideration of the Asset Review and Challenge Programme.

6.7 REGENERATION

- 6.7.1 The Council has wider ambitions for regeneration within the borough including the Growth Zone which is a partnership between the Central Government, the Council and the Greater London Authority. The Growth Zone will finance and deliver a 12-year, £525 million redevelopment programme, which is essential to facilitate growth in Croydon town centre. The Mayoral Business Plan intends to support the regeneration of the town centre and district centres by seeking inward investment and grants. The Council continues to work with private sector partners to develop its town centre and is enhancing its planning policies to facilitate greater regeneration investment. Investors previously involved in proposals to develop Croydon's Westfield shopping centre which have subsequently been discontinued have retained their interest which the Council may seek to explore in the future.

6.8 INVESTMENT ASSETS

- 6.8.1 With the uncertainties caused as a result of the pandemic and a change to the Public Works Loan Board (PWLB) guidance in August 2020, the purchase of investment assets has been placed on hold.
- 6.8.2 The Council's investment portfolio generates income to support service delivery on an annual basis. Assets are retained within the investment portfolio whilst they continue to deliver positive financial returns. These assets also require capital investment in the form of maintenance and careful asset management in order to maintain the required income stream. As a result this portfolio places a demand on the Council's annual capital programme. It is important that these assets are continually reviewed and regular reporting on their performance is provided on a six-month basis to the Corporate Management Team (CMT) and annual report to Cabinet.

6.9 DISPOSAL APPROACH AND GOVERNANCE

- 6.9.1 The Corporate Property and Asset Disposal Strategy 2022-2027 has a central role within the AMP. In order to reduce the debt burden on the Council, raising money through the disposal of assets will be essential. The Asset Disposal Strategy provides a formal approach to the management of assets and in particular their disposal where they have been identified as either surplus or no longer key to the delivery of services. This will be done in a structured and controlled manner to ensure that any disposal does not cause longer-term operational difficulties or fail to achieve the best return for the Council.
- 6.9.2 The Disposal Strategy adopts a flexible approach so that it can support future corporate requirements. It will aim to identify properties for disposal in the short

to medium (3 years) term but will be reviewed annually to reflect changes in the delivery of services.

6.9.3 All decisions to dispose of an asset must be subject to a full business case report that will include a minimum set of requirements. The full process for disposal of property is set out in the Disposal Strategy and in summary is based on:

- If operational, the asset must be declared surplus to requirements by the relevant directors. Any proposed alternative uses will be considered against the benefits of disposing of the asset
- Obtaining supporting valuation and agency advice to inform the business case and disposal approach
- Final version of the business case approved by CMT, and then Mayoral/Cabinet approval where required

6.9.4 The Council has currently identified approximately £100m of potential disposal receipts based on existing sites previously identified, a review of investment assets and other potential opportunities driven by anticipated service changes, although the latter are dependent on confirmation by service directorates and clarity on the impact on individual operational assets.

6.9.5 Any ability to achieve receipts in excess of £100m in future years will be dependent on difficult decisions in relation to the future of service delivery, with the overall value of receipts likely limited by previous programmes to rationalise the Council's property portfolio and the market value of potentially surplus assets at any point in time.

6.9.6 **Appendix 2** contains a list of potential asset disposals and emerging opportunities that the Council is currently considering.

7. CAPITAL PROGRAMME FUNDING & FINANCING

7.1 OVERVIEW

7.1.1 All Capital Programme expenditure must be financed from external sources (government grants and external contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing and leasing). The Council is seeking to fund the Capital Programme expenditure from a combination of external contributions, capital receipts from disposal of Council owned assets and funding schemes through borrowing.

7.2 FUNDING SOURCES

7.2.1 There are a number of distinct sources of funding that can be utilised to finance capital expenditure. The Capital Strategy demonstrates that due consideration of funding will be made when capital projects are at the planning stage and no project will be put forward without funding having been identified to complete the delivery of the project.

7.2.2 The current Capital Programme comprises current and prospective means of funding and financing projects and the range of choices available are detailed below:

- **Community Infrastructure Levy (CIL)** - CIL is a standard charge on developments used to fund a wide range of infrastructure that is needed because of the development.
- **S106 Contributions** – some projects within the Capital Programme are funded by contributions from private sector developers.
- **Housing Revenue Account** - An account used to manage Income and costs associated with managing the Council's owned housing stock and related assets which is funded primarily from tenants' rents and service charges. Revenue contributions can be made from this account to fund HRA capital schemes.
- **Growth Zone** - The use of Growth Zone business rates from the town centre designated area.
- **External Grants for Specific Purposes** – these include grant allocations categorised for specific purposes to deliver specific schemes or outcomes.
- **External Grants for Non-Specific Purposes** – grant allocations for the delivery of the Council's capital plans (most often from government departments), that are categorised as non-specific.
- **Capital Receipts** – The Council can generate capital receipts through the sale of surplus assets such as land and buildings. The Council seeks to maximise the level of these resources, which will be available to support the Council's plans. This funding source will be prioritised to fund assets with the shortest useful life, such as IT equipment, to reduce the requirement to borrow for assets that attract a greater annual Minimum Revenue Provision cost.
- **Prudential Borrowing** – The introduction of the Prudential Code in 2004 allows the Council to undertake unsupported borrowing itself. This borrowing is subject to the requirements of the Prudential Code for Capital Expenditure for Local Authorities. This has revenue implications for the Council in the form of financing costs, including Minimum Revenue Provision.
- **General Fund** – Revenue from the General Fund can potentially be utilised to provide contributions to the financing of the capital programme's current and prospective projects. At the current time the Council is not intending to make contributions to the programme from the General Fund due to a lack of available funding from this revenue source.

7.2.3 **Table 5** summarises how the current approved Capital Programme will be funded and provides a breakdown of the different funding sources for the General Fund.

Table 5: Funding Sources for General Fund – (£'000)

Funding Source	2022/23 Budget	2023/24	2024/25	2025/26	2026/27
CIL	(2,856)	(1,778)	(807)	-	-
s106	(550)	(1,605)	(1,159)	(691)	(711)
HRA Contribution	(1,742)	(1,147)	-	-	-
Reserves - Growth Zone	(6,888)	(4,900)	(4,900)	(4,900)	(4,900)
Grant	(18,297)	(24,116)	(23,662)	(8,745)	(2,468)
Cap Receipt	(55,049)	(45,000)	(50,000)	(50,000)	
Borrowing	(169,153)	(45,823)	(8,170)	(6,138)	(14,053)
Total GF Capital Funding	(254,536)	(124,369)	(88,698)	(70,474)	(22,132)

7.2.4 **Table 6** summarises the funding sources for the HRA that have been earmarked to apply to the delivery programme which includes a projection of £115.11m of new borrowing which will be fully financed from the revenue account.

Table 6: Funding Sources for Housing Revenue Account – (£'000)

HRA Capital Financing	Revised Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
Major Repairs Reserve	(12,336)	(15,457)	(14,879)	(15,191)	(15,434)
Revenue	-	(13,900)	(15,443)	(15,615)	(14,072)
Reserves	(13,821)	(1,148)	-	-	-
RTB receipts	-	(2,118)	(2,140)	(2,161)	(2,183)
Grant	(1,200)	-	-	-	-
Borrowing	-		(50,105)	(65,005)	-
Total HRA Capital Financing	(27,357)	(32,623)	(82,567)	(97,972)	(31,689)

7.3 FINANCING

7.3.1 The Council's capital expenditure plans are the key driver of treasury management activity. The primary function of the treasury management operation is to ensure the cash flow is adequately planned, with cash being available when needed to fund the Council's capital plans. These plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. The contribution the treasury management function makes to the Council is critical, as the balance of debt and investment operations ensure liquidity and the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects.

Affordability Prudential Indicators

7.3.2 The Treasury Management Strategy covers the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances.

Ratio of financing costs to net revenue stream

7.3.3 This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs, net of investment income), against the net revenue stream. The estimates of financing costs include current commitments and the proposals in the budget report.

Table 7: Ratio of financing costs to net revenue stream

	2021/22 Actuals %	2022/23 Estimate %	2023/24 Estimate %	2024/25 Estimate %	2025/26 Estimate %
Non-HRA	9.9	12.6	18.4	18.9	18.0
HRA	13.8	13.7	13.1	12.6	14.2

7.3.4 The Council estimates that the financing costs will be between 11.4%-16.4% of net revenue over the next three years with 16.4% estimated for the year of 2022/23.

7.3.5 The Council is highly leveraged and has set aside considerable money to pay for Minimum Revenue Provision and interest costs. Any further borrowing for the Capital Programme will only add to the debt pile and further increase costs to the revenue account. This poses considerable future risks particularly to the revenue account because of servicing the debt.

7.3.6 It is always cost effective for the Council to utilise non-debt financing to fund the capital spend as this does not result in increased revenue costs which include Minimum Revenue Provision and interest charges. However, such alternative sources of funding are not always available to finance projects that are driven by the Council's own priorities. If sufficient capital receipts or revenue are also not available, borrowing becomes a necessity.

7.3.7 Housing Revenue Account ratios

Table 8- Housing Revenue Account ratios

	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
HRA debt (£'000)	334.3	334.3	334.3	384.3	444.3
HRA debt cap (£'000)	363.5	363.5	363.5	413.6	478.6
HRA revenues (£'000)	87.6	88.1	92.7	96.1	98.3
Ratio of debt to revenues	3.8	3.8	3.9	4.3	4.9

7.3.8 The Council estimates the Housing Revenue Account debt to revenue ratios to be between 3.8 – 4.5% over the next three years and 4.1% for the year 2022/23.

8. CAPITAL PROGRAMME GOVERNANCE

8.1 OVERVIEW

8.1.1 The Capital Internal Control Board (CICB) was established in 2022 in response to the recommendations within the RIPI 2 report. The CICB oversees the Capital Programme and acts as a programme board for the delivery of the overall capital programme, providing assurance on all the Council plans and strategies which impact the capital programme. The creation of the CICB is relatively new and therefore in its infancy but provides the basis for more strategic oversight of the Capital Programme than previously existed.

8.1.2 The CICB comprises cross-discipline members and representation at Head of Service level from each department. It is chaired by the Director of Commercial Investment and Capital. It can challenge and review capital bids before they are submitted to the Corporate Management Team (CMT), the Mayor and Cabinet for approval but does not itself currently have delegated authority as a governing entity to make decisions.

8.1.3 Oversight of the Capital Programme and the Asset Management Plan resides with the CMT to ensure alignment of projects with strategic objectives and their contribution to financial sustainability prior to referral to the Mayor, Cabinet and Full Council for final approval. The CMT comprises the Chief Executive and the Corporate Directors from the different directorates.

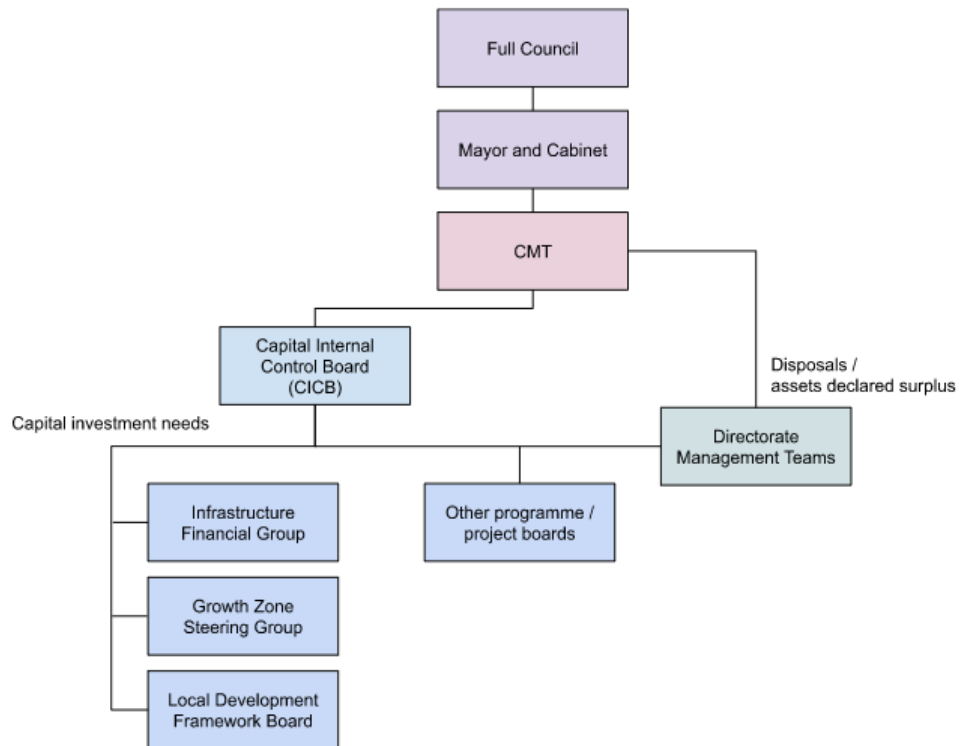
8.1.4 The Council has an established governance arrangement embedded within its current Constitution. Part 4H – Financial Regulations provide the governance framework for managing the Council’s financial affairs. They apply to all Members, officers of the Council and anyone acting on its behalf. It is likely to be considered a disciplinary offence to breach these Financial Regulations and procedures.

8.1.5 Under the Council’s Financial Regulations, the Chief Financial Officer is responsible for ensuring that a balanced revenue budget and capital programme and budget are prepared on an annual basis.

8.2 GOVERNANCE SUMMARY

8.2.1 The governance arrangements in relation to the Capital Programme are summarised in the diagram in **Figure 1**.

Figure 1 - Capital Programme Governance Arrangements



8.3 ROLES AND RESPONSIBILITIES

8.3.1 The Capital Internal Control Board (CICB) role will be to act as the programme board for the delivery of the overall capital programme. It will challenge and review capital bids before they are submitted for Mayor, Cabinet and Council

approval. It will provide oversight and assurance of all Council Plans and Strategies which impact on the capital programme.

8.3.2 The main responsibilities of the CICB are to:

- Ensure that appropriate governance and assurance is in place for the management of all capital projects and programmes including processes for project initiation, benefits identification, resource and risk management, and programme planning;
- It will undertake 'deep dives' into aspects of the Capital Programme that are of particular interest/significance, due to the amount of expenditure involved or emerging risks to delivery;
- Provide strategic direction for matters escalated to it;
- Review and ensure appropriate mitigation for significant risks to delivery of the capital programme;
- Review and monitor delivery of the Capital Programme plan, including additions to the programme and consideration of interdependencies and pressures;
- Agree allocation of resources for feasibility studies and development of new projects (subject to formal Cabinet and Council processes as required).
- Recommend allocation of capital resources (subject to formal Cabinet and Council processes as required);
- Have oversight of the Council's Asset Management Plan and associated significant disposals and acquisitions;
- Drive and monitor the delivery of schemes and projects to ensure that capital is deployed on time and in a controlled manner;
- CICB will identify opportunities to pause or remove capital expenditure from the capital programme, and will highlight these opportunities to CMT.

8.4 DECISION-MAKING PROCESS

8.4.1 CICB will evaluate the compliance of the proposed capital projects in the Capital Programme including the capital resources available to the Council, the revenue implications of the proposed expenditure and other relevant information. It will focus on the expected costs and financial sources identified and consider any risk to either the delivery or costs forecasts which will be recorded in the Council's corporate risk system following the review.

8.4.2 CICB will report and escalate to the CMT if tolerances are breached or likely to be breached in the following areas:

- Overspend on project budgets;
- Timescale – where a project is going to exceed its agreed deadline;
- Where funding (external) is at risk;
- Scope, where significant change of scope or quality is proposed or agreed benefits are at risk of non-delivery; and
- Risks or issues that pose significant risk to delivery.

8.4.3 A business impact analysis of the breaches of tolerance or proposed changes and clear recommendations will be prepared by the relevant Director when escalating to the CMT. The outcome of the approval with the decision required will be noted at the next available meeting. If a decision is urgent and required outside the timing of a Capital Board meeting, the Corporate Director of Resources in consultation with the Director of Commercial Investment & Capital, as Chair, may take that decision outside of the meeting.

8.4.4 The CICB is able to draw upon external expertise when necessary and set up sub-groups and involve other officers as required to consider specific questions and/or undertake specific tasks and activities. Members of the CICB will be trained to provide the necessary knowledge and understanding to provide effective and constructive input to the meetings. In addition, the Strategic Risks Report, S106 Tracker and Housing Revenue Account Capital Programme reports will be produced on a quarterly basis.

8.5 RISK REGISTER

8.5.1 Following review by CICB the risks associated with each capital project will be entered or updated into the corporate risk register. The risk register comprises different risk scenarios and their potential impact. A RAG (Red, Amber and Green) rating system is used to measure the level of risk which is also assigned to relevant members of the CICB to review and manage. Each risk is identified with a scenario of its likelihood and impact and comprising details of the existing and future controls to manage risks which are regularly reviewed and updated to ensure management of the risk and the capital project progresses.

9. CAPITAL PROGRAMME MANAGEMENT AND MONITORING

9.1 OVERVIEW

9.1.1 The Capital Programme Management and Monitoring Framework supports the delivery of programmes by ensuring capital projects are delivered within budget and timescales. The Council has improved and developed the management and monitoring of the programme in response to recommendations from the RIPI reports and the current financial situation.

9.2 CURRENT ARRANGEMENTS

- 9.2.1 The present system comprises the submission of a capital bid outlining the business case and providing details of the project overview and justification, route on delivering the project, evaluation of the financial benefits, meeting key prioritisation criteria and potential risks identified. It also comprises a detailed financial breakdown of gross expenditure, itemised funding requirements and profiling of repayment over the course of the capital project.
- 9.2.2 There is a capital monitoring sheet for the final submission of capital bids that comprises a financial breakdown detailing the financial performance of the Capital Programme in the areas including approved budgets, capital savings, forecasts, borrowings, proposed and unapproved project slippage and variance. There is also a delivery plan setting out the capital projects proposed pricing and specification, procurement strategy, tender process, approvals, implementation and timescales.
- 9.2.3 The capital bids are sent to CICB for challenge and review of capital bids before they are submitted for CMT, Mayor's, Cabinet and Council approval. The S151 Officer is responsible for ensuring that there is an effective system for capital monitoring. This will ensure that capital investment is delivered on time and within allocated resources, whilst meeting the objectives and outcomes.
- 9.2.4 The Council have made incremental improvements to management and monitoring of the programme in response to the recommendations within the RIPI 2 report. The quality and assurance of the management and monitoring processes has improved and comprises project managers providing increased details within business cases to support capital project proposals, increased scrutiny within the capital bid process with increased qualitative questions being asked to provide frequent checks and control on projects.
- 9.2.5 The Council's longer term aspiration is to move towards providing a more standardised, consistent and automated programme and project monitoring framework based on EPPMS (Electronic Project Proposal Management System). The Council has identified Verto as its preferred EPPMS which is currently being procured. The implementation of the Verto will be undertaken in 2023 with accompanying communication and training for project managers and key decision-makers across the Council, a priority activity as the Council seeks to strengthen and improve its capital framework.
- 9.2.6 The system will support the management, planning and execution of capital projects. It will be able to manage a portfolio of capital projects across a range of teams and departments. The solution is intended to help to coordinate and enhance workflow capabilities during the project initiation stage and project life cycle. The solution will also help to streamline areas including project expenditure and budgeting, information management, risk analysis, escalation and project delivery and drive a consistent and more automated reporting to CICB on the capital programme's status to inform strategic decision-making.
- 9.2.7 In the interim, the Council will continue to develop its programme management and project monitoring framework by implementing a more mature approach to business case development based on clear governance gateways for both new projects and those already in the Capital Programme and reporting up through governance forums as projects progress.

10. APPENDICES

10.1 APPENDIX 1 - CAPITAL PROGRAMME

Source: Period 8 Financial Performance Report

	2022-23 BUDGET
SCHEME NAME	£'000
Disabled Facilities Grant	3,992
Empty Homes Grants	400
HOUSING	4,392
Bereavement Services	1,775
Bereavement Service Vehicles	39
My Resources Interface Enhancement	75
Network Refresh	141
Tech Refresh	610
Geographical Information Systems	65
Laptop Refresh	222
Cloud and Disaster Recovery	198
Synergy Education System	1,030
NEC Housing System	2,680
Uniform ICT Upgrade	130
ASSISTANT CHIEF EXECUTIVE	6,965
Education – Fire Safety Works	776
Education - Fixed Term Expansions	747
Education - Major Maintenance	4,062
Education - Miscellaneous	134
Education - Permanent Expansion	319
Education - Secondary Estate	39
Education - SEN	1,853
CHILDREN, YOUNG PEOPLE AND EDUCATION	7,930
Allotments	200
Fairfield Halls - Council Fixtures & Fittings	574
Growth Zone	5,988
Grounds Maintenance Insourced Equipment	1,000
Highways	8,618
Highways - Flood water management	895
Highways - Bridges and highways structures	2,611
Highways - Tree works	56
Local Authority Tree Fund	96
Trees Sponsorship	46
Leisure centres equipment Contractual Agreement	430
Leisure Centre - Tennis Court	75

2022-23 BUDGET	
SCHEME NAME	£'000
Leisure Equipment Upgrade	306
Libraries Investment - General	224
Library Self-Service Kiosks	200
Parking	2,731
Cashless Pay & Display	366
Play Equipment	150
Safety - digital upgrade of CCTV	1,551
Signage	274
South Norwood Good Growth	1,121
Kenley Good Growth	583
Sustainability Programme	550
TFL - LIP	4,835
Cycle Parking	226
Electric Vehicle Charging Point	1,081
Waste and Recycling Investment	1,558
SUSTAINABLE COMMUNITIES, REGEN & ECONOMIC DEVELOPMENT	36,345
Asset Strategy - Stubbs Mead	50
Asset Strategy Programme	25
Clocktower Chillers	30
Corporate Property Maintenance Programme	2,500
Brick by Brick programme	4,150
Fairfield Halls - Council	1,500
RESOURCES	8,255
Capitalisation Direction	25,000
Capitalisation Direction - New	161,600
Transformation Spend (Flexible Capital Receipts)	4,049
CORPORATE	190,649
TOTAL GENERAL FUND CAPITAL PROGRAMME	254,536

2022-23 BUDGET	
PROJECT NAME	£'000
Asset management ICT database	155
Major Repairs and Improvements Programme	22,083
Trelis Mews	3,377
NEC Housing System	1,742
TOTAL HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME	27,357

10.2 APPENDIX 2 - POTENTIAL ASSET DISPOSALS

The Council has currently identified approximately £100m of potential disposal receipts, seen in the table below, based on existing sites previously identified, a review of investment assets and other potential opportunities driven by anticipated service changes, although the latter are dependent on confirmation by service directorates and clarity on the impact on individual operational assets.

Potential disposals	Asset name
Existing disposal sites previously identified	11 Heather Way
	Boulogne Road
	Cemetery Lodge
	Purley Way Pavilions
	Norwood Grove Mess Room
Review of investment properties	Davis House
	Colonnades
	Vulcan Way
	Imperial Way
	Enterprise Close
Additional asset disposals / merging opportunities identified	Reduction/merging of libraries
	Ramsey Court
	Family Justice Centre following service relocation
	Samuel Coleridge-Taylor Centre
	Winterbourne Youth hub

	89 Whitehorse Road
	Car park sites
	Review of depots and car pound

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LONDON BOROUGH OF CROYDON

REPORT:	Cabinet	
DATE OF DECISION	22 February 2023	
REPORT TITLE:	Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2023/24	
CORPORATE DIRECTOR	Corporate Director of Resources and Section 151 Officer	
LEAD OFFICER:	Matthew Hallett Acting Head of Treasury and Pensions	
LEAD MEMBER:	Cllr Jason Cummings – Lead Member for Finance	
KEY DECISION? [Insert Ref. Number if a Key Decision]	Yes	REASON: Key Decision – Decision incurs expenditure, or makes savings, of more than £1,000,000 or such smaller sum which the decision-taker considers is significant having regard to the Council's budget for the service or function to which the decision relates and Key Decision – Decision significantly impacts on communities living or working in an area comprising two or more Wards
CONTAINS EXEMPT INFORMATION?	NO	Public
WARDS AFFECTED:	All	

1 SUMMARY OF REPORT

- 1.1 This report seeks the agreement of the Executive Mayor in Cabinet to the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2023/24.
- 1.2 The report sets out the Council's Treasury Management objectives, which are to manage the Council's cash flows, borrowing and investments whilst minimising the level of risk exposure. It looks to maximise investment yield returns within agreed risk parameters and ensure that capital expenditure and financing plans are prudent, affordable and sustainable. The report details the borrowing and investment activities that will be undertaken by the Council in the financial year 2023/24 and the two subsequent years.
- 1.3 The report invites agreement to recommendations essential to the achievement of the Treasury Management objectives.

2 RECOMMENDATIONS

For the reasons set out in the report and its appendices, the Executive Mayor in Cabinet, is asked to recommend to Full Council that it approves:

- 2.1** The Treasury Management Strategy Statement 2023/24 as set out in this report.
- 2.2** The Prudential Indicators as set out in Appendix A of this report.
- 2.3** The Annual Minimum Revenue Provision Policy Statement (required by the Local Authorities (Capital Financing and Accounting) (England) (Amendment) Regulations 2008SI 2008/414) as set out in Appendix B.

3 REASONS FOR RECOMMENDATIONS

- 3.1** Under the Constitution of the London Borough of Croydon the Full Council is responsible for approving the Treasury Management Policy Statement setting out the matters detailed in CIPFA's Code of Practice for Treasury Management in the Public Services and the CIPFA Prudential Code for Capital Finance in Local Authorities (Prudential Code).

4 INTRODUCTION

- 4.1** Under Regulations made pursuant to the Local Government Act 2003 the Council is required to have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities (Prudential Code), to ensure that its capital investment plans are affordable, prudent and sustainable. In particular, the Prudential Code requires the Council to set a number of Prudential Indicators for the next three financial years. This report incorporates these indicators and details the expected treasury activities for the year 2023/24 in the context of the long-term planning forecasts for the Council. The implications of these key indicators function as the overriding control and guidance mechanism for the future capital programme and the revenue consequences that arise for the Council in future financial years.
- 4.2** Under the same Regulations the Council is required to have regard to the CIPFA Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance (Treasury Management Code) in setting up and approving its treasury management arrangements.
- 4.3** On 20 December 2021 CIPFA produced revised codes and stated that local authorities were required to implement the required reporting changes within their Treasury Management Strategy Statement reports from 2023/24.
- 4.4** The main objective of the 2021 Codes was to respond to the major expansion of local authority investment activity over recent years into the purchase of non-financial investments, particularly property. The Codes require an authority to ensure that:
 - it defines its risk appetite and its governance processes for managing risk;
 - it sets out, at a high level, its investment policy in relation to environmental, social and governance aspects;

- it adopts a new liability benchmark treasury indicator to support the financing risk management of the Capital Financing Requirement (CFR); this is to be shown in chart form for a minimum of ten years, with material differences between the liability benchmark and actual loans to be explained;
- it does not borrow to finance capital expenditure to invest primarily for commercial return;
- increases in the CFR and borrowing are undertaken solely for purposes directly and primarily related to the functions of the authority; where any financial returns are related to the financial viability of the project in question, they should be incidental to its primary purpose;
- an annual review is conducted to evaluate whether commercial investments should be sold to release funds to finance new capital expenditure or refinance maturing debt;
- its capital plans and investment plans are affordable and proportionate;
- all borrowing/other long-term liabilities are within prudent and sustainable levels;
- risks associated with commercial investments are proportionate to overall financial capacity to sustain losses;
- treasury management decisions are in accordance with good professional practice;
- reporting to members is done quarterly, including updates of prudential indicators;
- it should assess the risks and rewards of significant investments over the long term, as opposed to the usual three to five years that most local authority financial planning has been conducted over, to ensure the long-term financial sustainability of the authority. (CIPFA has not defined what longer-term means, but it is likely to infer 20-30 years in line with the financing time horizon and the expected life of the assets, while medium-term financial planning, at a higher level of detail, is probably aimed at around a 10-year timeframe and focuses on affordability in particular); and
- it has access to the appropriate level of expertise to be able to operate safely in all areas of investment and capital expenditure, and to involve members adequately in making properly informed decisions on such investments.

4.5 The Prudential Code confirms a requirement for local authorities to produce an annual Capital Strategy report which will provide the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of the strategy is to ensure that all the Authority's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite. Over the last year the Council's Officers and advisers have carried out a great deal of work in formulating the Capital Strategy. Although the Capital Strategy is separate to this report, it has been considered when producing this report.

5. KEY CONSIDERATIONS

Background

- 5.1** The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. The first main function of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's risk appetite, providing adequate liquidity initially before considering investment return.
- 5.2** The second main function is the funding of the Council's capital plans. These plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 5.3** The contribution the treasury management function makes to the Council is critical, as the balance of debt and investment operations ensure liquidity and the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will, in effect, result in a loss to the General Fund Balance.
- 5.4** In line with CIPFA the Council defines its treasury management activities as:
- “The management of the Council's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*
- 5.5** Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

Reporting Requirements

5.6 The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of strategies and policies, and estimated and actual figures.

1. Prudential capital and treasury management indicators and treasury strategy (this report) - The first, and most significant report covers:

- the capital plans (including prudential indicators);
- a Minimum Revenue Provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an Annual Investment Strategy (the parameters on how investments are to be managed).

2. A mid-year treasury management report – This is primarily a progress report and updates members on the capital position, amending prudential indicators as necessary, and advises whether any policies require revision; and

3. An annual treasury report – This is a backward looking review and provides details of a selection of actual prudential capital and treasury management indicators and of actual treasury operations compared to the estimates.

Treasury Management Strategy for 2023-24

5.7 The Strategy for 2023/24 covers two main areas, capital and treasury management:

Capital

- Capital expenditure plans and associated prudential indicators (paragraphs 6.5 to 6.9);
- MRP Policy Statement (paragraph 6.16 and 6.17).

Treasury management

- Current portfolio position (paragraphs 7.2 and 7.3);
- Treasury indicators: Limits to borrowing activity (paragraphs 7.7 to 7.10);
- Prospects for interest rates (paragraph 7.11);
- Borrowing strategy (paragraphs 7.13 to 7.16);
- Policy on borrowing in advance of need (paragraphs 7.17 and 7.18);
- Debt rescheduling (paragraphs 7.19 and 7.20);
- Investment Strategy (paragraph 8).

5.8 These elements cover the requirements of the Local Government Act 2003, Department for Levelling Up, Housing and Communities (DLUHC) Investment Guidance, DLUHC MRP Guidance, the Prudential Code, and the Treasury Management Code.

Training

- 5.9** The Treasury Management Code requires a Council officer (the “responsible officer”) to ensure that members with responsibility for treasury management receive adequate training in that function. This especially applies to members responsible for scrutiny. Furthermore, the Code states that all organisations are expected to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.
- 5.10** The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Councils should consider how to assess whether treasury management staff and members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.
- 5.11** As a minimum, organisations should carry out the following to monitor and review knowledge and skills:
- Record attendance at training sessions and ensure action is taken where poor attendance is identified;
 - Prepare tailored learning plans for treasury management officers and Council members;
 - Require treasury management officers and Council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the Council; and
 - Have regular communication with officers and Council members, encouraging them to highlight training needs on an ongoing basis.
- 5.12** In further support of the revised training requirements, CIPFA’s Better Governance Forum and Treasury Management Network have produced a ‘self-assessment by members responsible for the scrutiny of treasury management.’
- 5.13** Appropriate training will be made available to all Members involved in the monitoring of treasury management performance. Members have been offered training on the Council’s finances and were given a detailed session on Treasury Management in the summer of 2021.

Treasury management consultants

- 5.14** The Council recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. It has, therefore, appointed Link Group (Link) as its external treasury management consultant.
- 5.15** Notwithstanding this appointment, the Council recognises that responsibility for treasury management decisions remains with itself at all times and will ensure that undue reliance is not placed upon the services of external service providers. All decisions will be undertaken with regards to available information, including, but not solely, that provided by Link.

6. THE CAPITAL PRUDENTIAL INDICATORS 2023/24 -2025/26

Introduction

- 6.1 The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators for 2023/24 to 2025/26, as attached in Appendix A, which are designed to assist members' overview and to confirm capital expenditure plans. It should be noted that the figures used as the baseline for 2021/22 are taken directly from the Council's Statement of Accounts and these are yet to be audited.
- 6.2 The Corporate Director of Resources (Section 151 Officer) is responsible for setting up and monitoring the Prudential Indicators in accordance with the Council's Capital Strategy.
- 6.3 The Council is also required to confirm that it has adopted the CIPFA Code of Practice on Treasury Management.
- 6.4 The Prudential Indicators set will be monitored throughout the year and will be reported to Cabinet on a regular basis.

Capital Expenditure and Financing

- 6.5 The first prudential indicator is a summary of the Council's expenditure plans, both those previously agreed, and those forming part of this budget cycle. Members are asked to approve the following expenditure forecasts.

Table 1: Capital Expenditure

	2021/22 Actual £m	2022/23 Forecast £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
General Fund services	32.8	53.0	61.4	50.7	32.5
Commercial activities and non-financial investments	5.8	0	0	0	0
HRA services	55.1	27.4	32.6	82.6	98.0
Capitalisation Direction	50.0	186.6	63.0	38.0	38.0
TOTAL	143.7	267.0	157.0	171.3	168.5

- 6.6 A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any commercial activity in relation to the Council's overall financial position. The capital expenditure figures shown in Table 1 above indicate that no such activity is proposed in the future programme.
- 6.7 The above programme excludes other long-term liabilities, such as Private Finance Initiative (PFI) and leasing arrangements, that already include borrowing instruments.
- 6.8 If awarded, the Capitalisation Direction (see paragraph 7.23) will allow for certain items of revenue expenditure to be charged to Capital.

- 6.9 The table below summarises how the plans in Table 1 are being financed by capital and revenue resources. Any shortfall of resources results in a borrowing need.

Table 2: Resources

	2021/22 Actual £m	2022/23 Forecast £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Capital receipts	47.6	55.0	45.0	50.0	50.0
Capital grants	31.3	13.1	24.1	23.6	8.8
Capital reserves	0.5	0	0	0	0
S106 payments	0.5	0.5	1.6	1.2	0.7
Community Infrastructure Levy	6.5	1.5	1.8	0.8	0
Growth Zone Fund	0	3.0	4.9	4.9	4.9
HRA Contribution	0	1.7	1.2	0	0
General Fund total	86.4	74.8	78.6	80.5	64.4
HRA revenue	8.8	1.2	13.9	15.4	15.6
RTB receipts	6.0	0	2.1	2.2	2.2
HRA reserves	0	13.8	1.1	0	0
Major Repairs Allowance	12.3	12.4	15.5	14.9	15.2
HRA total	27.1	27.4	32.6	32.5	33
Net financing need	30.2	164.8	45.8	58.3	71.1
TOTAL	143.7	267.0	157.0	171.3	168.5

The Council's Borrowing Need (Capital Financing Requirement)

- 6.10 The second Prudential Indicator is the Council's Capital Financing Requirement (CFR). This is the total of historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness, effectively its underlying borrowing need. Any capital expenditure in Table 1, which has not immediately been paid for through a revenue or capital resource, will increase the CFR. However, the CFR does not increase indefinitely, as the MRP is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life and so charges the economic consumption of capital assets as they are used.
- 6.11 The CFR includes any other long term liabilities such as PFI schemes and finance leases. Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of schemes include a borrowing facility provided by the PFI or lease provider and the Council is not required to borrow separately to deliver them. The Council currently has £71m of such schemes within the CFR.
- 6.12 The Council is asked to approve the CFR projections below:

Table 3: Capital Financing Requirement

	2021/22 Actual £m	2022/23 Forecast £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
General Fund	1,268.7	1,408.1	1,425.6	1,405.2	1,383.1
HRA	363.5	363.5	363.5	413.6	478.6
Total CFR	1,632.2	1,771.6	1,789.1	1,818.8	1,861.7

Table 4: Movement in Capital Financing Requirement

	2021/22 Actual £m	2022/23 Forecast £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Net financing need	30.2	164.8	45.8	58.3	71.1
Less Minimum Revenue Provision	-24.3	-25.4	-28.3	-28.6	-28.2
Development loans repaid	-2.1				
Movement in CFR	3.8	139.4	17.5	29.7	42.9

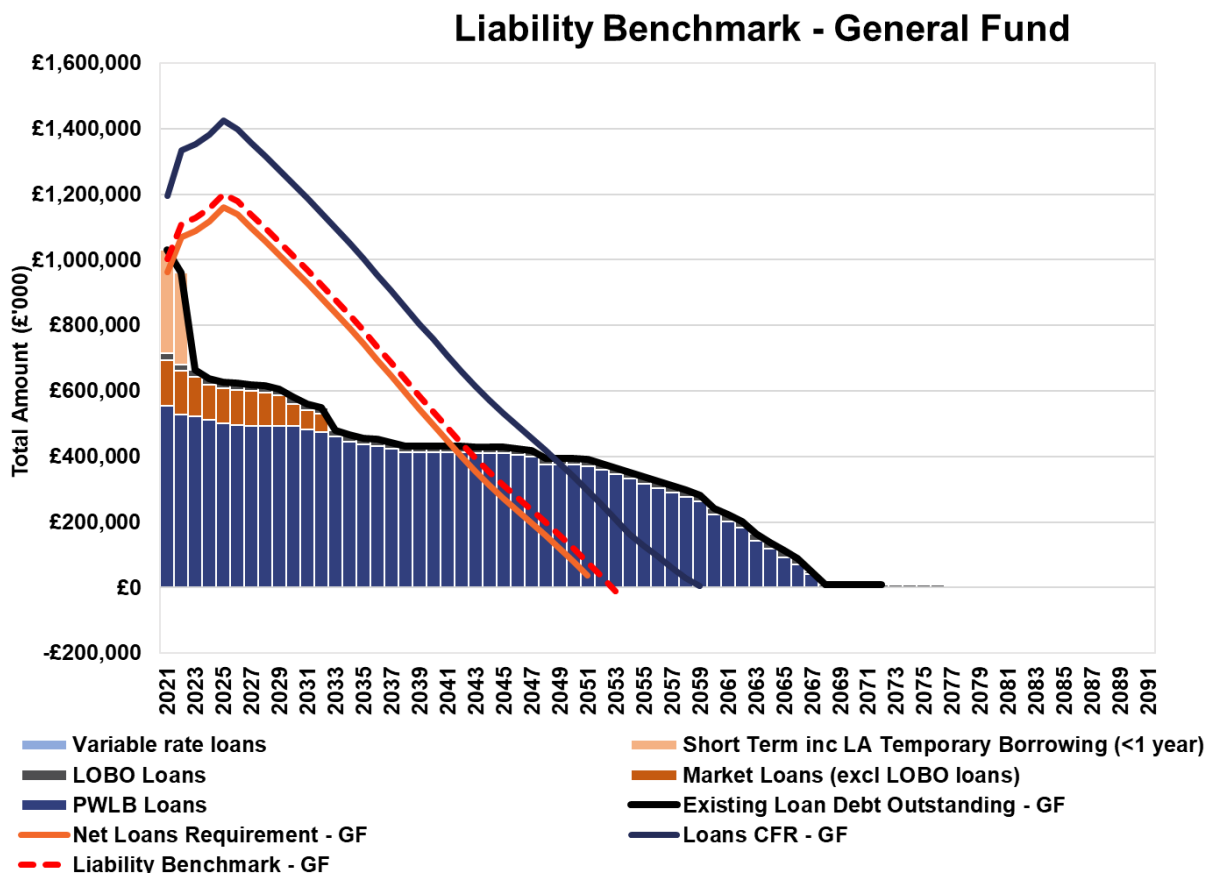
Liability Benchmark

6.13 A third and new prudential indicator for 2023/24 is the Liability Benchmark (LB). The LB is a measure of how well the existing loans portfolio matches the authority's planned borrowing needs. The Council is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

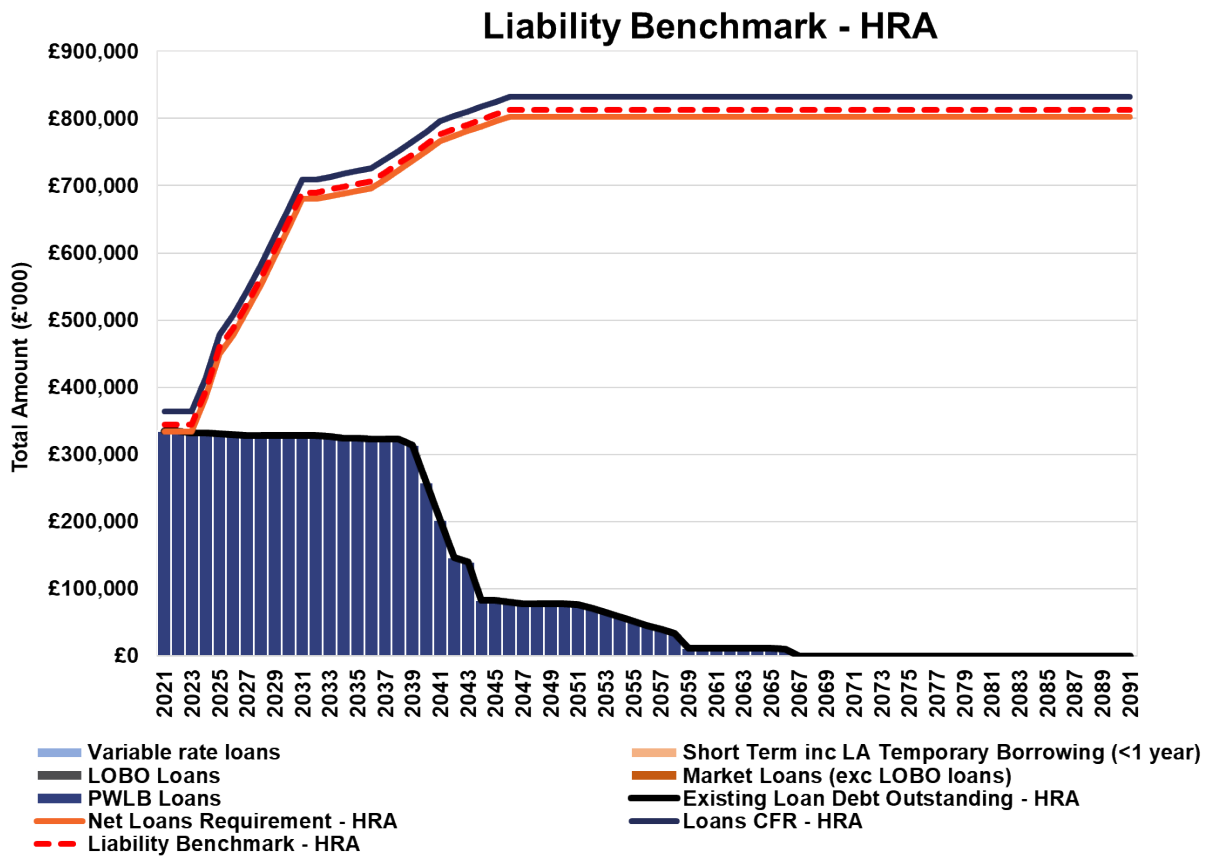
6.14 There are four components to the LB:

- Existing loan debt outstanding in future years;
- Loans CFR, calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP;
- Net loans requirement: this will show the Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
- LB (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

6.15 A separate LB has been calculated for the General Fund and the HRA and are shown in the charts below:



The LB for the General Fund shows that from 2023 to 2041 there are insufficient loans to meet the borrowing requirement as the Existing Loans Outstanding are below the LB line. The Council will need to fund this gap by either increasing its reliance on internal borrowing or adding to its external borrowing. Most will have to be done through external borrowing as the use of internal borrowing has almost been fully exhausted. From 2041 as the level of Existing Loans Outstanding rises above the LB line the graph indicates that the Council will have surplus cash which will need investing. In reality this is unlikely as the Council will extend its Capital programme in future years. The LB will be used to help determine the duration of future borrowing undertaken by the Council, as keeping the maturity of loans in line with the LB will help reduce the Council's exposure to interest rate risk.



The projection given above for the Council’s HRA LB benchmark has been taken from the HRA 30 year business plan. This indicates that significant levels of borrowing will be undertaken. This extra borrowing must be self-financed from the HRA account.

Minimum Revenue Provision Policy Statement

- 6.16 The Council’s Minimum Revenue Provision Statement is attached as Appendix B.
- 6.17 The only significant change made from the existing Policy is that the Council commits to set aside a minimum of 2% of Capital Financing Requirement for MRP in the event that the total MRP charge as calculated would be less than 2% of the total CFR.

7 BORROWING

7.1 The capital expenditure plans set out in paragraph 6.5 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The treasury management strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

Current Portfolio Position

7.2 The overall treasury management portfolio as at 31 December 2022 comprised:

Table 5: Borrowing as at 31 December 2022

	Principal £m	Average Rate %
Fixed Rate Funding		
- PWLB ¹	860.926	3.30
- Local Authorities ²	304.000	1.91
- Amber Green LEEF 2LLP	8.575	1.68
- European Investment Bank	102.000	2.20
Variable Rate Funding		
- LOBO ³	20.000	4.20
Total External Debt as 31/12/22	1,295.501	2.89
Other long term liabilities	71.000	
Total Debt	1,366.501	

1. PWLB is the Public Works Loan Board, the branch of Government that is the principal lender to local authorities. Included within this amount is the £223.1m borrowed for the HRA self-financing settlement made on 28/3/2012.
2. As an alternative to borrowing from the Government, local authorities have come to the market offering loans at competitive rates.
3. Lender's Option Borrower's Option (LOBOs) loans are commercial debts with options for the lender to vary the rate at pre-set intervals. If the option is exercised, then the Council can either accept the new rate or repay the loan with no penalty.

7.3 The Council's debt maturity profile is included as Appendix C.

Table 6: Temporary Investments as at 31 December 2022

	Principal £m	Average Rate %
Money Market Funds	70.10	3.28
Banks	30.00	3.08
Total Temporary investments outstanding as at 31/12/22	100.10	3.22

7.4 The Council's external gross debt at 31 December 2022 was £1,366.5m and this is forecast to remain the same at 31 March 2023. The forward projections are based on the debt increasing in line with the projected increase to the CFR from the previous year. The Council's forward projections for borrowing are shown in table 7. The table shows the actual external debt against the CFR, highlighting any over- or under-borrowing.

Table 7: Borrowing and the Capital Financing Requirement

	2021/22 Actual £m	2022/23 Forecast £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Debt at 1 April	1,446.5	1,364.5	1,298.0	1,437.4	1,454.9
Expected change in debt	-82.0	-66.5	139.4	17.5	29.7
Other long term liabilities	73.6	71.0	68.5	66.0	63.5
Expected change in other long term liabilities	-2.6	-2.5	-2.5	-2.5	-2.5
Actual gross debt at 31 March	1,435.5	1,366.5	1,503.4	1,518.4	1,545.6
CFR	1,632.2	1,771.6	1,789.1	1,818.8	1,861.7
Under/ (over) borrowing	196.7	405.1	285.7	300.4	316.1

Within the above figures the level of debt relating to commercial activities / non-financial investment is:

Table 8: Debt relating to commercial activities / non-financial investment

	2021/22 Actual	2022/23 Forecast	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Debt at 1 April (£m)	98.2	98.2	98.2	98.2	98.2
Percentage of total external debt (%)	6.8	7.2	6.4	6.1	5.9

7.5 Within the range of prudential indicators there are several key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

7.6 The Corporate Director of Resources (Section 151 Officer) reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the budget report.

Treasury Indicators: limits to borrowing activity

- 7.7** Section 3 of the Local Government Act 2003 requires the Council to set limits and to keep under review how much it can afford to borrow. The amounts so determined are to be set on a rolling basis, for the forthcoming financial year and two successive financial years.
- 7.8 Operational boundary for external debt.** This is the limit which external debt is not normally expected to exceed. In most cases this would be a similar figure to the CFR but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Table 9: Operational boundary for external debt

	2021/22 Actual £m	2022/23 Forecast £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Debt	1,364.5	1,298.0	1,437.4	1,454.9	1,484.6
Other long term liabilities	71.0	68.5	66.0	63.5	61.0
TOTAL	1,435.5	1,366.5	1,503.4	1,518.4	1,545.6

- 7.9 Authorised limit for external debt.** This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents the statutory limit under section 3 (1) of the Local Government Act 2003 beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. The Government retains an option to control either the total of all local authority plans, or those of a specific authority, although this power has not yet been exercised.
- 7.10** At the Full Council meeting held on 7 March 2022, the Council approved the Authorised Limit for 2022/23 of £1,674.6m. The forecast actual debt for 22/23 is £1,366.5m and reflects the work done by the Council to date in reducing its external debt. The level of external debt has been identified as and remains a problem for the Council and where possible the Council are looking to reduce this or at least slow the pace of increase over time. The forecast increases in debt are largely driven by Capitalisation Directions being sought by the Council which are due to legacy issues. With this in mind, the Cabinet is asked to recommend to Full Council that it should approve the authorised limit for 2023/24 of £1,553.4m as per the following table:

Table 10: Authorised limit for external debt

	2021/22 Actual £m	2022/23 Forecast £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Debt	1,414.5	1,348.0	1,487.4	1,504.9	1,534.6
Other long term liabilities	71.0	68.5	66.0	63.5	61.0
TOTAL	1,485.5	1,416.5	1,553.4	1,568.4	1,595.6

Prospects for Interest Rates

- 7.11 Part of the service provided by Link is to assist the Council to formulate a view on future interest rate movements. The following table gives their current forecasts for certainty rates, gilt yields plus 80bps.

Table 11: Interest Rate Forecast December 2022 to December 2025

Link Group Interest Rate View	19.12.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25 yr PWLB	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20

- 7.12 Link's commentary on the prospects for interest rates and on the wider economic background are attached as appendices D and E respectively.

Borrowing Strategy

- 7.13 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need, CFR, has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow have been used. The Council will continue to maximise its use of internal borrowing whilst interest rates remain at perceived elevated levels. The Council also has a significant portion of short-term debt that needs to be financed over the coming year. This will continue to be on a short-term basis unless long term rates are deemed to be more optimal.
- 7.14 This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy i.e. Bank Rate increases over the first half of 2023.
- 7.15 Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 treasury operations. The Corporate Director of Resources (Section 151 Officer) will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- if it is felt that there is a significant risk of a sharp fall in borrowing rates, then borrowing will be postponed;
 - if it is felt that there is a significant risk of a much sharper rise in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.
- 7.16 Any decisions will be reported to Cabinet at the first available opportunity.

Policy on borrowing in advance of need

- 7.17** The Council will not borrow more than or in advance of its needs purely to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved CFR estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. The Council is not currently expecting to borrow in advance of need.
- 7.18** Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Debt rescheduling

- 7.19** Rescheduling of current borrowing is unlikely to occur as there is still a large difference between premature redemption rates and new borrowing rates.
- 7.20** If rescheduling is to be undertaken it will be reported to Cabinet, at the earliest meeting following its action.

Sources of borrowing

- 7.21** The Council's main source of finance has traditionally been borrowing from the Public Works Loan Board (PWLB) where funds can be borrowed for up to 50 years.
- 7.22** Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:
- Local authorities (primarily shorter dated maturities out to 3 years or so – generally still cheaper than the Certainty Rate).
 - Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).
- 7.23** The Council's Medium Term Financial Plan includes the provision of Capitalisation Directions from Government to support the budget gap within the Revenue Account. This allows the Council to charge some of its revenue expenditure to capital. It is for the Council to decide which of its capital resources eg capital receipts or borrowing to allocate for this purpose at year end. Should the Council choose to borrow from the PWLB it will be charged the more disadvantageous rate of PWLB+1%. MRP will be required using the asset life method with a proxy 'asset life' of no more than 20 years. To date, the Council has not needed to use this borrowing facility.
- 7.24** The Council's 2023/24 Financial Plan indicates a £63m gap to its budget requirement and this is being supported by a further Capitalisation Direction request from Government.

8 ANNUAL INVESTMENT STRATEGY

Investment Policy – Management of Risk

- 8.1** DLUHC, formerly MHCLG, and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, as managed by the treasury management team. Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the Capital Strategy.
- 8.2** The Council’s Investment Policy has regard to the following: -
- DLUHC’s Guidance on Local Government Investments;
 - CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021; and
 - CIPFA Treasury Management Guidance Notes 2021.
- 8.3** The Council’s investment priorities will be security first, portfolio liquidity second and then yield. The Council will aim to achieve the optimum yield on its investments commensurate with proper levels of security and liquidity and with regard to its risk appetite.
- 8.4** In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider “laddering” investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.
- 8.5** The guidance from DLUHC and CIPFA places a high priority on the management of risk. The Council adopts a prudent approach to managing risk and defines its risk appetite by the following means:
- Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
 - Other information: ratings will not be the sole determinant of the quality of an institution; it is important continually to assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisers to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.
 - Other information sources used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Investment Policy – Council implementation

- 8.6 The Council has defined the list of types of investment instruments that the treasury management team are authorised to use. They are placed in one of two categories:

Specified investments are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.

Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

Detailed explanations of investment instruments included in the two categories are provided in Appendix F.

- 8.7 The Council's criteria for the selection of counterparties for investments are based on Link's assessment using formal credit ratings issued by various agencies. Credit rating information is supplied by Link on all active counterparties. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur, and this information is considered before dealing.
- 8.8 Each week, the Council, along with other clients, receives from Link a "Suggested Credit List." This is accompanied by a disclaimer reminding recipients, inter alia, as follows:

This document is intended for the use and assistance of customers of Link Asset Services. It should not be regarded as a substitute for the exercise by the recipient of its own judgement.

- 8.9 Notwithstanding this and other similar clauses Link are the largest suppliers of treasury management advisory services to UK local authorities and understand the market well. In their analysis they take into account the views of each of the three major credit ratings agencies along with the pricing of credit default swaps and market intelligence. They are better placed than Council officers to carry out this analysis and the Council has adopted the following lending list criteria:

Specified investments

AAA rated money market funds - limit £20m
Debt Management Office – no limit
All UK local authorities – limit £10m
NatWest as the Council's banker – limit £25m
Duration of up to one year.

Non-specified investments

All institutions included on Link's weekly "Suggested Credit List" – limit £10m
All UK local authorities with duration over one year
– limit £10m
Duration to be determined by the "Suggested Credit List" from Link

- 8.10** The only change made to the above criteria from 2022/23 is that all UK local authorities be “specified” for periods of under one year
- 8.11** The Council will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 8.17). Regular monitoring of investment performance will be carried out during the year.

Investment Strategy

- 8.12** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate peaking in the first half of 2023 and possibly reducing as early as the latter part of 2023 so an agile investment strategy is appropriate to optimise returns.
- 8.13** Accordingly, while most cash balances are required in order to manage the fluctuations of cash flow, where surplus cash sums become available it is expected that these will be used to repay debt. However this will be assessed against income that could be generated through longer term investments.
- 8.14** As at 31 December 2022, the Council held £100m in short-term investments. Any funds above those required to meet day to day expenditure will be used to repay debt as it matures. As it has become clear that the low interest rate environment, which has existed for several years, has come to an end the cost of re-financing debt is likely to exceed the yield on investments. Daily liquidity requirements will be met by investing in AAA-rated MMFs. As investment rates are influenced throughout the year by the release of key items of data, there may be occasions when some investments will be pitched towards specific periods to take advantage of any unexpected higher rates resulting from data issued.
- 8.15** Based on cashflow forecasts for 2023/24 the Council anticipates its average daily cash balances for the year to be £75m. The overall balances include schools’ balances and HRA revenue balances for which an apportionment of interest earned is made. The net income then due to the General Fund is estimated at £1m.

Investment returns expectations.

- 8.16** The current forecast shown in paragraph 8.15, includes a forecast for Bank Rate to reach 4.5% in the second half of 2023.
- 8.17** The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows: -

Table 12: Average Earnings in Each Year

Average earnings in each year	
2023/24	4.40%
2024/25	3.30%
2025/26	2.60%
2026/27	2.50%
Years 6 to 10	2.80%
Years 10+	2.80%

- 8.18 Investment treasury indicator and limit** - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity and debt repayment requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

The Council is asked to approve the following treasury indicator and limit: -

Table 13: Upper limit for principal sums invested for longer than 365 days

Upper limit for principal sums invested for longer than 365 days			
£m	2023/24	2024/25	2025/26
Principal sums invested for longer than 365 days	£m 0	£m 0	£m 0
Current investments as at 31 December 2022 in excess of 1 year	0	0	0

End of Year Investment Report

- 8.19** At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

9 IMPLICATIONS

7.1 FINANCIAL IMPLICATIONS

- 7.1.1** Revenue and Capital consequences of this report are dealt with within this report. There are no additional financial considerations other than those identified in this report.

Comments approved by Alan Layton, the Interim Head of Service, Finance on behalf of the Corporate Director of Resources. Date 09/02/2023

7.2 LEGAL IMPLICATIONS

- 7.2.1** The Head of Litigation and Corporate Law comments on behalf of the Director of Legal Services and Monitoring Officer that the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) made pursuant to the Local Government Act 2003 require the Council to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities ("The Prudential Code"). Regulations 23 and 24 provide respectively that capital receipts may only be used for specified purposes and that in carrying out its capital finance functions, a local authority must have regard to the code of practice in "Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes" ("The Treasury Code") issued by CIPFA.
- 7.2.2** In relation to the Annual Investment Strategy, the Council is required to have regard to the Guidance issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003 entitled "Statutory guidance on Local Government Investments 3rd Edition" which is applicable from and effective for financial years commencing on or after 1 April 2018.
- 7.2.3** In addition, the Prudential Code and the Treasury Code contain investment guidance which complements the Statutory Guidance mentioned above.
- 7.2.4** Local authorities are required to have regard to the current editions of the CIPFA codes by regulations 2 and 24 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended.
- 7.2.5** Under the provisions of Section 3(1) and (8) of the Local Government Act 2003, the Council must determine and keep under review how much money it can afford to borrow, and the function of determining and keeping these levels under review is a full Council, rather than an executive function.
- 7.2.6** The Council must also have regard to the Guidance issued by the Secretary of State under Section 21(1A) of the Local Government Act 2003 entitled "Statutory guidance on minimum revenue provision."
- 7.2.7** As set out earlier in this report, the Prudential Code requires authorities to prepare a capital strategy.

Approved by: Sandra Herbert, Head of Litigation & Corporate Law, on behalf of the Director of Legal Services and Monitoring Officer. Date 09/02/2023

7.3 EQUALITIES IMPLICATIONS

- 7.3.1** 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.

- 7.3.2** The Council must, therefore, ensure that it considers any equality implications in respect of its Treasury Management Strategy. The the Council has an established Equality Impact Assessment process, with clear guidance, templates and training 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 protected characteristics under Equality Act 2010.
- 7.3.3** The objectives of the Mayor’s Business plan are focused on delivering good sustainable services and creating opportunities for all residents of Croydon including children and young people. The proposals in the Treasury Management Strategy are likely to impact on residents, the extent of which and the characteristics most affected can only be identified following further analysis once the proposals have been developed.
- 7.3.4** The Council considers both its own data and evidence from other sources in making these decisions. We analyse both who will be affected along with how services will change as a result of decisions that are made. During the MTFS process, proposals which impact on people are subjected to equality analysis and mitigation is offered to people most affected. Mitigation is largely targeted at those who fulfil the criteria laid out. These are often young people, Disabled people and people on low incomes.
- 7.3.5** We commit to ensuring that we meet our legal requirements under the Equality Act 2010 to our residents including Disabled residents and the parents of Disabled residents in respect of children and young people.
- 7.3.6** We have identified areas of improvement in relation to the collection of data across directorates and are committed to improving this to enable our decisions to be more evidence based and robust.

Approved By: Denise McCausland, the Equality Programme Manager.
Date 09/02/2023.

7.4 HUMAN RESOURCES IMPLICATIONS

- 7.4.1** There are no immediate HR impacts arising from this report.

Comments approved by: Dean Shoosmith, Chief People Officer. Date 09/02/2023

8. APPENDICES

- 8.1**
- A Capital and Treasury Management Prudential Indicators 2023/24 -2025/26
 - B Minimum Revenue Provision Policy Statement 2023/24
 - C Long-term debt profile
 - D Commentary on prospects for interest rates – November 2022
 - E Economic background – November 2022
 - F Specified and non-specified investments

9. BACKGROUND DOCUMENTS

9.1 None.

CONTACT OFFICER: Matthew Hallett, Acting Head of Pensions and Treasury Ext
27148

**CAPITAL AND TREASURY MANAGEMENT PRUDENTIAL INDICATORS 2023/24 –
2025/26**

CAPITAL

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Capital Expenditure

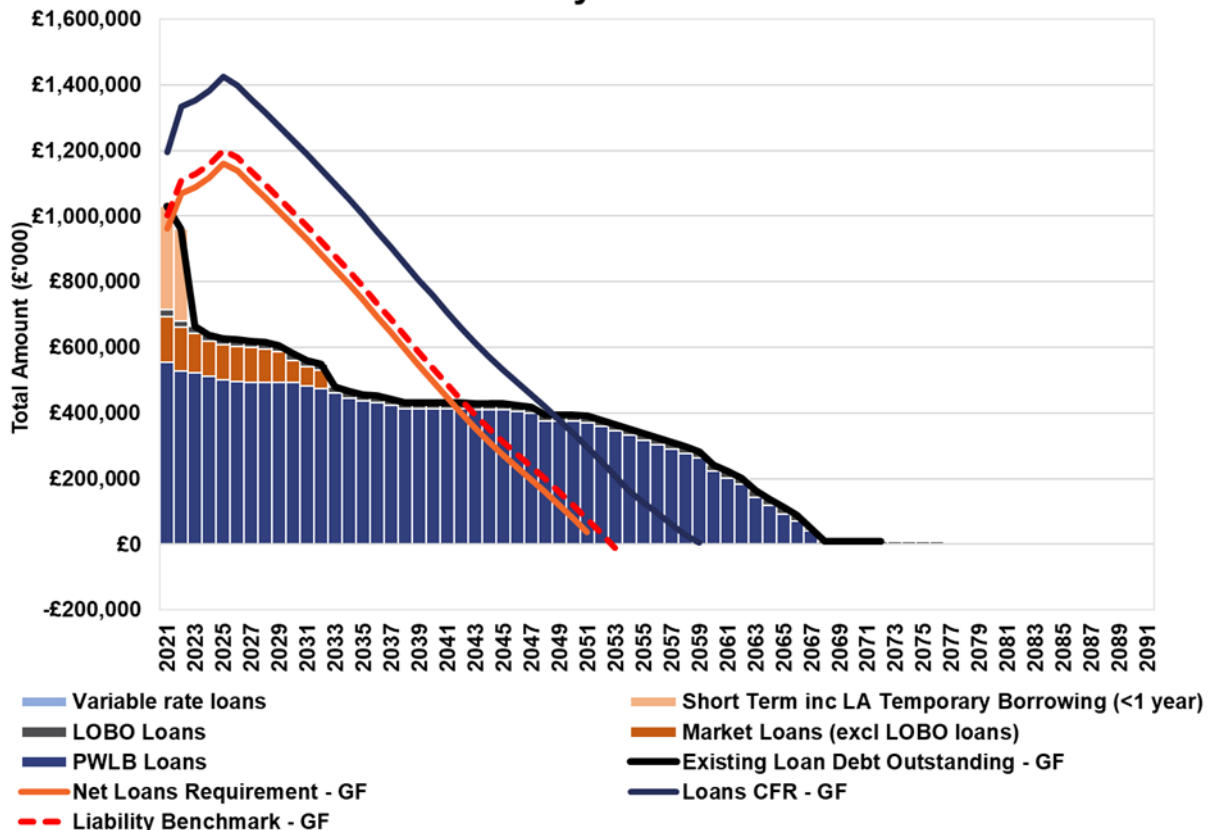
	2021/22 Actual £m	2022/23 Forecast £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
General Fund services	32.8	53.0	61.4	50.7	32.5
Commercial activities and non-financial investments	5.8	0	0	0	0
HRA services	55.1	27.4	32.6	82.6	98.0
Capitalisation Direction	50.0	186.6	63.0	38.0	38.0
TOTAL	143.7	267.0	157.0	171.3	168.5

Capital Financing Requirement Projections

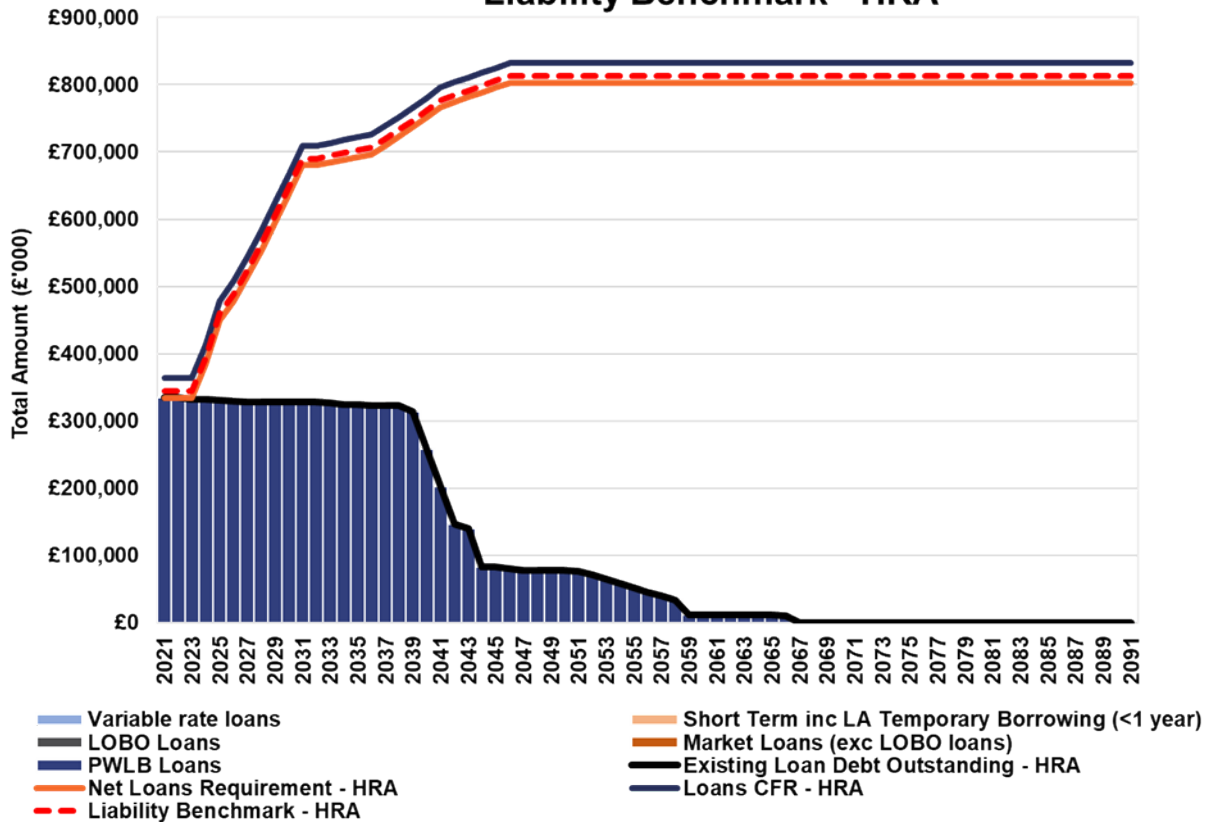
	2021/22 Actual £m	2022/23 Forecast £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
General Fund	1,268.7	1,408.1	1,425.6	1,405.2	1,383.1
HRA	363.5	363.5	363.5	413.6	478.6
Total CFR	1,632.2	1,771.6	1,789.1	1,818.8	1,861.7

Liability Benchmark

Liability Benchmark - General Fund



Liability Benchmark - HRA



	2021/22 Actual £m	2022/23 Forecast £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Debt at 1 April	1,446.5	1,364.5	1,298.0	1,437.4	1,454.9
Expected change in debt	-82.0	-66.5	139.4	17.5	29.7
Other long term liabilities	73.6	71.0	68.5	66.0	63.5
Expected change in other long term liabilities	-2.6	-2.5	-2.5	-2.5	-2.5
Actual gross debt at 31 March	1,435.5	1,366.5	1,503.4	1,518.4	1,545.6
CFR	1,632.2	1,771.6	1,789.1	1,818.8	1,861.7
Under/ (over) borrowing	196.7	405.1	285.7	300.4	316.1

Authorised limit for external debt

	2021/22 Actual £m	2022/23 Forecast £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Debt	1,414.5	1,348.0	1,487.4	1,504.9	1,534.6
Other long term liabilities	71.0	68.5	66.0	63.5	61.0
TOTAL	1,485.5	1,416.5	1,553.4	1,568.4	1,595.6

Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

a) Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs net of investment income), against the net revenue stream.

	2021/22 Actual %	2022/23 Forecast %	2023/24 Estimate %	2024/25 Estimate %	2025/26 Estimate %
Non-HRA	9.9	12.6	18.4	18.9	18.0
HRA	13.8	13.7	13.1	12.6	14.2

The estimates of financing costs include current commitments and the proposals in the budget report

HRA ratios

	2021/22 Actual	2022/23 Forecast	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
HRA debt £m	334.3	334.3	334.3	384.3	444.3
HRA debt cap £m	363.5	363.5	363.5	413.6	478.6
HRA revenues £m	87.6	88.1	92.7	96.1	98.3
Ratio of debt to revenues	3.8	3.8	3.9	4.3	4.9

TREASURY MANAGEMENT

Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

The Council is asked to approve the following treasury indicator and limit:

Upper limit for principal sums invested for longer than 365 days			
£m	2023/24	2024/25	2025/26
Principal sums invested for longer than 365 days	£m 0	£m 0	£m 0
Current investments as at 31 December 2022 in excess of 1 year	0	0	0

Maturity structure of borrowing

These gross limits are set to reduce the Council's exposure to large, fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

Maturity structure of fixed interest rate borrowing 2023/24		
	Lower	Upper
Under 12 months	0%	30%
12 months to 2 years	0%	20%
2 years to 5 years	0%	30%
5 years to 10 years	0%	30%
10 years and above	0%	100%

MINIMUM REVENUE PROVISION POLICY STATEMENT 2023/24

1. Regulation 28 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 2003/3146, as amended] states that:

“a local authority shall determine for the current financial year an amount of minimum revenue provision which it considers to be prudent”.

2. The regulations provide authorities discretion in deciding their annual amount of Minimum Revenue Provision (hereafter MRP). Statute (S.21 (1)(A) of LGA 2003) requires authorities to “have regard” to the MRP Guidance and the recommendations within it.

3. Regulation 28 does not define prudent provision, the MRP guidance issued by MHCLG (now DLUHC) makes recommendations on the interpretation of that term. Within this guidance it is acknowledged that while four methodologies are available to authorities, other approaches are not meant to be ruled out, provided they are fully consistent with the statutory duty to make prudent revenue provision. Therefore it is recognised that in some cases a more individually designed MRP approach is justified, taking into account local circumstances.

4. The Council has given regard to Guidance issued by the Secretary of State under Section 21(1A) of the Local Government Act 2003 which was revised in November 2020.

5. The Council’s MRP Policy Statement for 2023/2024 is to be as follows:

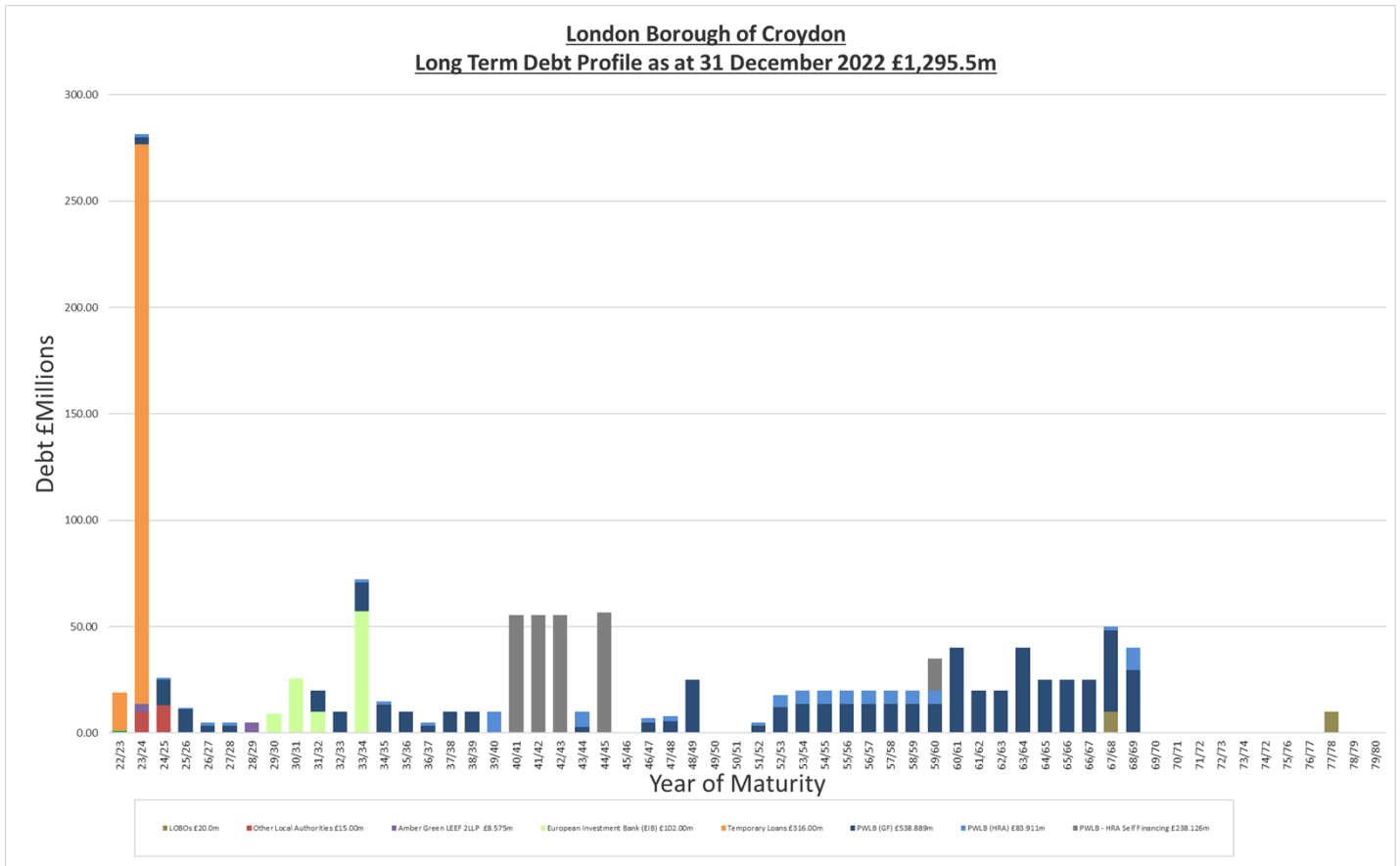
6. For the proportion relating to historic debt (incurred up to 31 March 2008) and to Government-supported capital expenditure incurred since, the MRP policy will be to adopt Option 1 - the Regulatory Method by providing a fixed amount each financial year, calculated at 2% of the balance at 31 March 2015, reducing on a straight line basis so that the whole debt is repaid after 50 years.

7. For unsupported borrowing undertaken since 1 April 2008, reflected within the CFR debt liability at 31 March 2023, the MRP policy will be to adopt Option 3 – Asset Life Method – Annuity method from the Guidance. Estimated life periods will continue to be determined under delegated powers. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the Guidance or supporting evidence pertaining to the asset. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the Guidance would not be appropriate. The total useful life will not exceed 50 years which would be in line with MRP Guidance.

8. As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.
9. Where schemes are not fully completed at the end of the financial year, MRP charges will be deferred until the schemes are complete and the assets are operational.
10. MRP on Public Finance Initiative (PFI) schemes debt is to be charged on an annuity basis over the remaining life of each scheme.
11. The Council retains the right to undertake additional voluntary payments if required (Voluntary Revenue Provision – VRP). In addition, the Council commits to set aside a minimum of 2% of Capital Financing Requirement for MRP in the event the total MRP charge is less than 2% of the total CFR.
12. There may be circumstances when the Council may not make a provision for the repayment of the debt liability. In such circumstances where the authority has had regard to the guidance and chooses an alternative approach, the authority will set out the reasons in support to demonstrate it is satisfied that the arrangement is prudent
13. Where the Council has provided loan(s) to a third party to support capital expenditure which is due to be repaid in full under the terms of the contractual agreements, the loan repayments are classed as a capital receipt. Any principal sum repaid will be set aside to reduce the increase in the CFR which relates to any such loan(s) provided.
14. In circumstances where the Council has previously determined not to set aside a provision to repay the debt liability, an annual review will be undertaken to determine if the amount and timing of any loan repayment remains in accordance with the formal loan agreement. Where there is evidence which suggests that the full amount will not be repaid, it would be prudent to reassess the need to commence MRP to recover the impaired amounts from revenue. This will be reviewed on an annual basis to assess the likelihood of default. If required, a prudent MRP policy will commence, following a stringent risk assessment process.
15. The Council holds commercial property as part of its Investment Property Portfolio. The assets are held solely for investment purposes and are managed on a fully commercial basis. The Council has the ability to sell the assets to repay any outstanding debt liabilities related to their purchase, there is still a need to consider if a prudent provision is required. As above, following a stringent risk assessment a contribution to the MRP may be necessary. The market value of the assets will be reviewed on a regular basis and if the asset value significantly decreases, a prudent MRP contribution will be made. For the 2023/24 Budget and the 3 Year MTFs the Council has calculated the projected MRP costs and these are included within the plans.

16. The Council holds an investment in the Real Lettings Property Fund LP under a 7-year life arrangement which is due to be returned in full at maturity with interest paid on outstanding balances annually. The investment is treated as capital expenditure with the Council's CFR increasing by this amount. At maturity, the funds returned to the Council will be treated as a capital receipt and the CFR will reduce accordingly. No MRP has been charged as annual valuations have determined that Council's investment has not impaired in value but has increased instead. The investment is relatively short-term in duration and the funds are to be returned in full.

17. Loans borrowed from Amber Green LEEF 2LLP, an alternative source to fund energy efficiency and carbon reduction schemes at certain educational institutions within the Borough will be recovered in full from these institutions. As such, the Council has determined there is no need to set aside prudent provision to repay the debt liability in the interim period, and therefore no MRP application is required.



COMMENTARY ON PROSPECTS FOR INTEREST RATES PROVIDED BY LINK GROUP
DECEMBER 2022

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 19.12.22. These are forecasts for certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View	19.12.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25 yr PWLB	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20

Additional notes by Link on this forecast table: -

Our central forecast reflects a view that the MPC will be keen to demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened throughout 2022, but the new Government's policy of emphasising fiscal rectitude will probably mean Bank Rate does not now need to increase to further than 4.5%.

Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures have lessened – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

The CPI measure of inflation will peak at close to 11% in Q4 2022 (currently 10.7%). Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market.

Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), this has started but will focus on the short, medium and longer end of the curve in equal measure, now that the short-lived effects of the Truss/Kwarteng unfunded dash for growth policy are firmly in the rear-view mirror.

In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine. (More recently, the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.)

On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

PWLB RATES

Yield curve movements have become less volatile of late and PWLB 5 to 50 years Certainty Rates are, generally, in the range of 4.10% to 4.80%.

We view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the elevated inflation outlook.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is to the downside. Indeed, the Bank of England projected two years of negative growth in their November Quarterly Monetary Policy Report.

Downside risks to current forecasts for UK gilt yields and PWLB rates include: -

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).
- **The Bank of England** acts too quickly, or too far, over the next two years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Geopolitical risks**, for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates: -

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates an even more rapid series of increases in Bank Rate faster than we currently expect.
- **The Government** acts too quickly to cut taxes and/or cut expenditure to balance the public finances, in the light of the cost-of-living squeeze.
- **The pound weakens** because of a lack of confidence in the UK Government's fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer term **US treasury yields** rise strongly, if inflation numbers disappoint on the upside, and pull gilt yields up higher than currently forecast.
- Projected gilt issuance, inclusive of natural maturities and QT, could be too much for the markets to comfortably digest without higher yields consequently.

Link Group Forecasts

We now expect the MPC to continue to increase Bank Rate during Q1 and Q2 2023 to combat on-going inflationary and wage pressures. We do not think that the MPC will increase Bank Rate above 4.5%, but it is possible.

Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, as inflation starts to fall through 2023.

Our target borrowing rates two years forward (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB debt	Borrowing rate 19.12.22	Target borrowing rate 19.12.22
5 years	4.24%	3.5%
10 years	4.35%	3.6%
25 years	4.68%	3.9%
50 years	4.34%	3.6%

Borrowing advice: Our long-term (beyond 10 years) forecast for Bank Rate stands at 2.5%. As all PWLB certainty rates are currently above this level, borrowing strategies will need to be reviewed in that context. Better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive whilst the market waits for inflation, and therein gilt yields, to drop back later in 2023.

Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are rounded to the nearest 10bps and as follows: -

Average earnings in each year	
2022/23 (remainder)	4.00%
2023/24	4.40%
2024/25	3.30%
2025/26	2.60%
2026/27	2.50%
Years 6 to 10	2.80%
Years 10+	2.80%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

ECONOMIC BACKGROUND – DECEMBER 2022

Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022.

Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps since the turn of the year. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

	UK	Eurozone	US
Bank Rate	3.5%	2.0%	4.25%-4.50%
GDP	-0.2%q/q Q3 (2.4%/y/y)	+0.2%q/q Q3 (2.1%/y/y)	2.6% Q3 Annualised
Inflation	10.7%/y/y (Nov)	10.1%/y/y (Nov)	7.1%/y/y (Nov)
Unemployment Rate	3.7% (Oct)	6.5% (Oct)	3.7% (Nov)

Q2 of 2022 saw UK GDP revised upwards to +0.2% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Nevertheless, CPI inflation has picked up to what should be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.

The UK unemployment rate fell to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact is that with many economic participants registered as long-term sick, the UK labour force actually shrunk by c500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at over 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food and energy that have endured since Russia's invasion of Ukraine on 22nd February 2022.

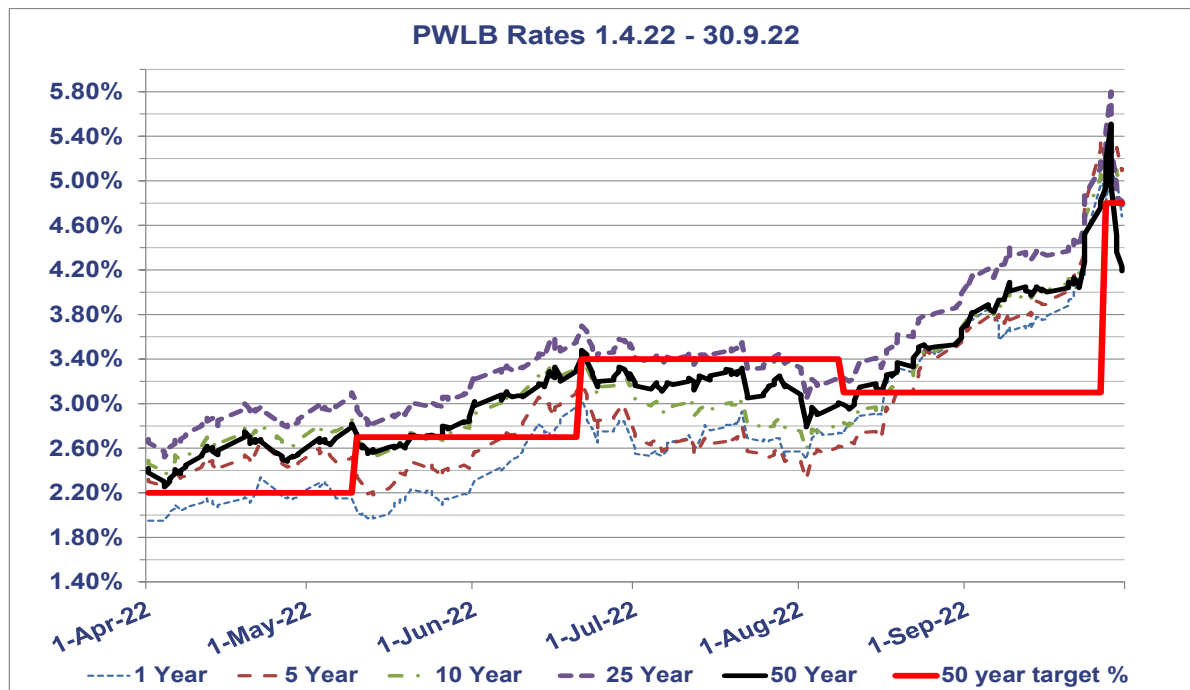
Throughout Q3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Q4 has seen rates rise to 3.5% in December and the market expects Bank Rate to hit 4.5% by May 2023.

Globally, though, all the major economies are expected to struggle in the near term. The fall below 50 in the composite Purchasing Manager Indices for the UK, US, EZ and China all point to at least one, if not more, quarters of GDP contraction. In November, the MPC projected eight quarters of negative growth for the UK lasting throughout 2023 and 2024, but with Bank Rate set to peak at lower levels than previously priced in by the markets and the fiscal tightening deferred to some extent, it is not clear that things will be as bad as first anticipated by the Bank.

The £ has strengthened of late, recovering from a record low of \$1.035, on the Monday following the Truss government's "fiscal event", to \$1.22. Notwithstanding the £'s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved

above 5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

In the table below, the rise in gilt yields, and therein PWLB rates, through the first half of 2022/23 is clear to see.



However, the peak in rates on 28th September as illustrated in the table covering April to September 2022 below, has been followed by the whole curve shifting lower. PWLB rates at the front end of the curve are generally over 1% lower now whilst the 50 years is over 1.75% lower.

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.95%	2.18%	2.36%	2.52%	2.25%
Date	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
High	5.11%	5.44%	5.35%	5.80%	5.51%
Date	28/09/2022	28/09/2022	28/09/2022	28/09/2022	28/09/2022
Average	2.81%	2.92%	3.13%	3.44%	3.17%
Spread	3.16%	3.26%	2.99%	3.28%	3.26%

After a shaky start to the year, the S&P 500 and FTSE 100 have climbed in recent weeks, albeit the former is still 17% down and the FTSE 2% up. The German DAX is 9% down for the year.

CENTRAL BANK CONCERNS – DECEMBER 2022

In December, the Fed decided to push up US rates by 0.5% to a range of 4.25% to 4.5%, whilst the MPC followed by raising Bank Rate from 3% to 3.5%, in line with market expectations. EZ rates have also increased to 2% with further tightening in the pipeline.

Having said that, the sentiment expressed in the press conferences in the US and the UK were very different. In the US, Fed Chair, Jerome Powell, stated that rates will be elevated and stay higher for longer than markets had expected. Governor Bailey, here in the UK, said the opposite and explained that the two economies are positioned very differently so you should not, therefore, expect the same policy or messaging.

Regarding UK market expectations, although they now expect Bank Rate to peak within a lower range of 4.5% - 4.75%, caution is advised as the Bank of England Quarterly Monetary Policy Reports have carried a dovish message over the course of the last year, only for the Bank to

have to play catch-up as the inflationary data has proven stronger than expected.

In addition, the Bank's central message that GDP will fall for eight quarters starting with Q3 2022 may prove to be a little pessimistic. Will the £160bn excess savings accumulated by households through the Covid lockdowns provide a spending buffer for the economy – at least to a degree? Ultimately, however, it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also). developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022.

SPECIFIED AND NON-SPECIFIED INVESTMENTS

- a. **Specified Investments** - Where there is a change in the current investment policy this is specifically noted. All investments shall consist of investments under one year as follows:
- Debt Management Agency Deposits Facility (DMADF) which is currently available for investments up to six months.
 - Term deposits with the UK Government or with UK local authorities (i.e. local authorities as defined under Section 23 of the 2003 Act) with maturities up to one year.
 - Term deposits with credit - rated deposit takers (banks and building societies) including callable deposits, with maturities up to one year.
 - Certificate of Deposits issued by credit - rated deposit takers (banks and building societies) up to one year.
 - AAA rated Money Market Funds (i.e. a collective investment scheme as defined in SI. 2004 No 534).
 - Bonds issued by multinational development banks (as defined in SI 2004 No 534) with maturities under 12 months. The Council currently does not invest in this type of investment. It is recommended, however, that these can now be used and held until maturity, after consulting and taking advice from the treasury management consultants.
 - Enhanced AAA rated Money Market Funds. These funds differ from traditional AAA Money Market Funds in that they take more interest rate risk by managing portfolios with a longer weighted average maturity period. They may also take greater credit risk by holding assets with lower credit ratings and / or have a longer weighted average life. Depending on whether the fund is UK or US administered, it would be rated by only one of the rating agencies. Hence, although the minimum requirement is an AAA rating, the rating need only be given by one of the agencies. Typically these funds are designed to produce an enhanced return and this requires the fund manager to take more risk (whether credit, interest rate or liquidity) than the traditional AAA Money Market Funds. The Council currently does not invest in this type of fund. It is recommended, however, that these can now be considered, after consulting and taking advice from the treasury management consultants subject to the same criteria as other investments.
 - UK Government Gilts. These are bonds issued by the UK Government representing a very low credit risk with options to sell in the secondary market.

- UK Government Treasury Bills which are debt instruments issued by the Government's Debt Management Office through weekly auctions. The bills are issued with maturities of one, three and six months.
- b. **Non-Specified investments** - Local authorities now have specific powers to invest for periods in excess of one year. Previously such investments were not permissible, except in respect of the Council's Pension Fund (where specific legislation exists). It is recommended that these shall consist of:
- Term deposits with credit - rated deposit takers (banks and building societies) with maturities greater than one year. As a general rule they cannot be traded or repaid prior to maturity. The risk with these is that interest rates could rise after making the investment and there is also the potential that there could be a deterioration of the credit risk over a longer period. It is recommended, therefore, that the use of this investment is limited to a maximum of five years following advice from the Council's treasury management advisers.
 - Term Deposits with UK local authorities. This investment represents intra-authority loans i.e. from one local authority to another for the purpose of cash-flow management. The risk with these is that interest rates could rise after making the investment and it is therefore recommended that the use of this investment is limited to a maximum of five years following advice from the Council's treasury management advisers. This risk is common to all term deposits whether with local authorities or other counterparties.
 - Certificate of Deposits (C.D.) issued by credit - rated deposit takers (banks and building societies) with maturities greater than one year. With these investments there is a market or interest risk. Yield is subject to movement during the life of the CD, which could negatively impact on the price of the CD if traded early. It is recommended, therefore, that the use of this investment is limited to a maximum of five years and sold on maturity following advice from the Council's treasury management advisers.
 - Callable deposits with credit rated deposit takers (banks and building societies) with maturities greater than one year. These have the potential of higher return than using a term deposit with a similar maturity. The risk is that only the borrower has the right to pay back the deposit, the lender does not have a similar call, as although the term is fixed only the borrower has the option to repay early. There is, therefore, no guarantee that the loan will continue to its maturity. The interest rate risk is that the borrower is unlikely to pay back the deposit earlier than the maturity date if interest rates rise after the deposit is made.
 - Forward deposits with credit rated banks and building societies for periods greater than one year (i.e. negotiated deal period plus period of deposit). The advantage of the investment is that there is a known rate of return over the period the monies are invested which aids forward planning. The credit risk is that if the credit rating falls or interest rate rise in the interim period the deposit period cannot be changed. It is recommended, therefore, that the use of this investment is limited to a maximum of five years following advice from the Council's treasury management advisers.
 - Bonds issued by multilateral development banks (as defined by SI. 2004 No 534). These have an excellent credit quality and are relatively liquid. If they are held to

maturity there is a known yield, which would be higher than that on comparable gilts.

- If traded, there could be a potential for capital gain or loss through appreciation or depreciation in value. The market or interest risk is that the yield is subject to movement during the life of the bond, which could impact on the price of the bond, i.e. if sold prior to redemption date. Given the potential for loss any investment would need to be based on the principle that they would be bought and held until maturity. It is recommended, therefore, that the use of this investment is limited to a maximum of five years following advice from the Council's treasury management advisers.
- Enhanced Money Market Funds. These funds differ from traditional AAA Money Market Funds in that they take more interest rate risk by managing portfolios with a longer weighted average maturity period. They may also take greater credit risk by holding assets with lower credit ratings and / or have a longer weighted average life. Depending on whether the fund is UK or US administered, it would be rated by only one of the rating agencies. Hence, although the minimum requirement is an AAA rating, the rating need only be given by one of the agencies. Typically these funds are designed to produce an enhanced return and this requires the fund manager to take more risk (whether credit, interest rate or liquidity) than the traditional AAA Money Market Funds. The Council currently does not invest in this type of fund. It is recommended, however, that these can now be considered, after consulting and taking advice from the treasury management consultants subject to the same criteria as other investments.
- UK Government Gilts. These are bonds issued by the UK Government representing a very low credit risk with options to sell in the secondary market. If held to maturity there is a known yield but if traded there could be a potential for capital gain or loss through appreciation or depreciation in value. Given the potential for loss, any investment would need to be based on the principle that UK government gilts would be bought and held until maturity. It is recommended, therefore, that the use of this investment is limited to a maximum of five years following advice from the Council's treasury management advisers. If held to maturity, these bonds represent the nearest to a risk-free investment.
- Property Funds. Property funds can provide stable returns in terms of fixed period rents, whether commercial or industrial rentals. Property funds can be regulated or unregulated. An investment in share or loan capital issued by a regulated property fund is not treated as capital expenditure but an investment in an unregulated fund would count as capital expenditure. Given the nature of the property sector, a longer-term time horizon will need to be considered for this type of investment. The Council currently has invested in one property fund; the Real Lettings Property Fund Limited Partnership – see 3.5.13. It is recommended, however, that any future investments in property funds should only be considered, after consulting and taking advice from the treasury management consultants.
- Floating Rate Notes (FRNs). These are typically longer term bonds issued by banks and other financial institutions which pay interest at fixed intervals. The floating rate nature of these instruments reduces the exposure to interest rate risk as the interest rate is re-fixed at the beginning of every interest rate period. The option to redeem before maturity is available through the secondary market. It is recommended that investments in FRNs be restricted to those issued by

institutions on the Council's authorised lending list, after consulting and taking advice from the treasury management consultants.

- Corporate Bonds are issued by corporate institutions for example General Electric, Vodafone etc. They offer local authorities an alternative to the usual financial institutions. For Corporate Bonds, the minimum credit rating criteria of AA- should apply to fit within the Council's investment parameters. It is recommended that the use of this type of investment can now be considered, after consulting and taking advice from the treasury management consultants.
- Covered Bonds. These are a type of secured bond that is usually backed by mortgages or public sector loans. An important feature of covered bonds is that investors have dual recourse, both to the issuer and to the underlying pool of assets. It is recommended that the use of this investment can now be considered, after consulting and taking advice from the treasury management consultants.
- Investment in equity of any company wholly owned by Croydon Council.

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LONDON BOROUGH OF CROYDON

REPORT:	CABINET	
DATE OF DECISION	22 February 2023	
REPORT TITLE:	HRA Business Plan & Budget Update report January 2023	
CORPORATE DIRECTOR / DIRECTOR:	Susmita Sen, Corporate Director Housing	
LEAD OFFICER:	Orlagh Guarnori, Head of Finance for Housing	
KEY DECISION? [Insert Ref. Number if a Key Decision]		Yes
CONTAINS EXEMPT INFORMATION?		No
WARDS AFFECTED:		All

1 SUMMARY OF REPORT

- 1.1 This report presents the latest position for the 30 Year Business Plan for the Housing Revenue Account with consideration to both capital and revenue investments required for the management and maintenance of Croydon Council's housing stock.
- 1.2 The plan contains the most up to date information in terms of stock investment and will form the basis for the development of a new asset management strategy, building upon the recent initial stock condition survey work carried out, that will be extended following the commission of extending the sample basis.
- 1.3 The Business Plan demonstrates that the investment proposals are fundable, subject to the assumptions within the plan, and that the HRA remains sustainable and viable over the 30 year period.

2 RECOMMENDATIONS

For the reasons set out in the report and its appendices, the Executive Mayor in Cabinet, is recommended:

- 2.1 to approve the HRA budget for 2023-24

- 2.2 to note the update to the HRA 30 year Business plan based on the HRA budget for 2023-24
- 2.3 to note the assumptions the business plan is based upon and the risks associated with these assumptions
- 2.4 to note the commencement of the work on a new asset management strategy and enhanced stock condition survey that will further inform the business plan
- 2.5 to approve an application to the Secretary of State for a direction permitting the funding by the HRA of Discretionary Housing Payments from an HRA Hardship Fund, and to authorise the Corporate Director, Housing to agree the terms of such a direction with DLUHC.

3 REASONS FOR RECOMMENDATIONS

- 3.1 The Housing Revenue Account (HRA) 30 year business plan sets out the long term financial position of this ring-fenced general fund account. Whilst the HRA business plan is for a period of 30 years, more focus is on the medium-term, first five years, as there is more certainty on costs, demands, resources and pressures, which will enable the prioritisation of housing investment. The current iteration of the plan is the annual update reflecting the revised 2023-24 budget attached in Appendix A.
- 3.2 The business plan also considers the strategic objectives of the Council and the impact of Government policies on rents, disposals and regeneration. The Plan is constantly evolving and the impact of changes in legislation and council priorities will be factored into future iterations. The current plan is based on the capital programme as set out in Appendix B.
- 3.3 The key elements of the HRA financial operations are set out below and are brought together within the plan. The plan will be used as a tool to assess the impact of decision making around stock acquisition and maintenance, long-term treasury management strategy and wider strategic options of the Council.
- 3.4 In year one there is no requirement to borrow however the intention is to be able to draw down from a pre-determined borrowing capacity in order to fund regeneration and other works from 2024/25 onwards. Any borrowing will be carried out in accordance with the Council's Treasury Management Strategy.
- 3.5 The intention is for a further update to be made to the HRA business plan later in the financial year reflecting the outcome of the stock conditions surveys.
- 3.6 Savills have supported officers with producing the HRA Business Plan and have written a commentary report that see Appendix C to provide greater detail as to the assumptions and forecasts within the plan

4 BACKGROUND AND DETAILS

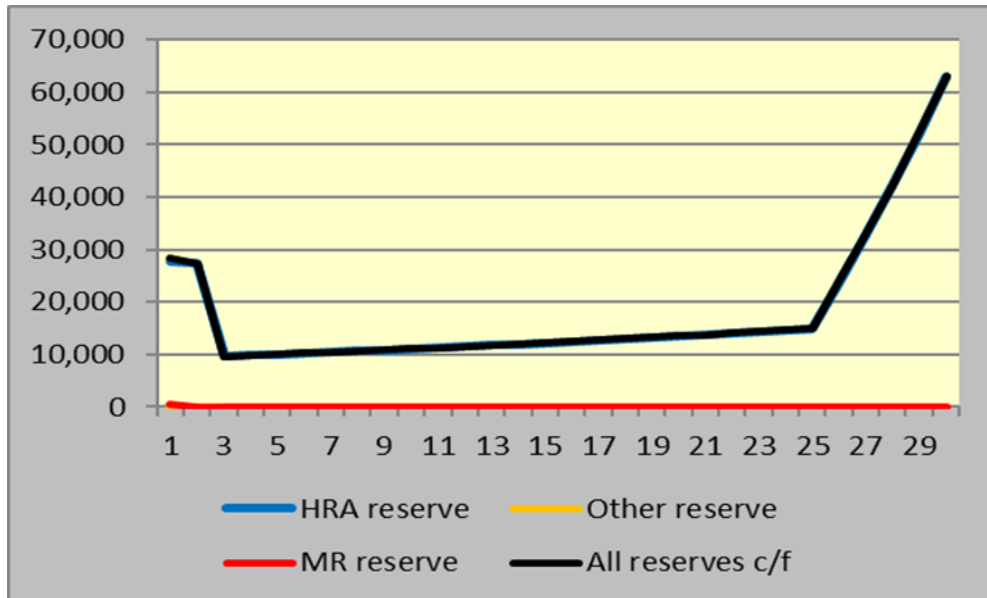
- 4.1** The HRA accounts for revenue expenditure and income relating to the Council's own housing stock and is ring fenced from the Council's General Fund as required by the Local Government and Housing Act 1989, which specifies the items that can be charged and credited to it. The account must include all costs and income relating to the Council's landlord role (except in respect of leased accommodation, for households owed a homeless duty, and in respect of accommodation provided other than under Housing Act powers). The Council has a legal duty to budget to ensure the account remains solvent and to review the account throughout the year.
- 4.2** In 2012 HRA legislation changes resulted in the abolition of the Subsidy System (Croydon was a net payer to central government) and the implementation of a self-financing settlement. As a result, in March 2012 Croydon's HRA borrowed £223.126m from the Public Works Loan Board (PWLB). This was paid to the Government as Croydon's share of the self-financing settlement which involved the redistribution of national housing debt in return for the end of the housing subsidy system. In subsequent years additional property acquisitions have been made within the HRA. HRA Capital Financing Requirement (CFR) stands at £365.4m consisting of 40 fixed PWLB loans totalling £334.3m.
- 4.3** The HRA has a 30 year business plan that is currently balanced and has been updated to reflect the impact of the latest rent setting proposals as well as other agreed increases in expenditure. The report includes financial analysis to demonstrate the viability and sustainability of the business plan.
- 4.4** The proposed HRA budget for 2023/24 is based on total income of £96.1m, and is set out in Appendix A. The movement between the approved 2022/23 budget and the proposed 2023/24 budget is summarised in Table 1
- 4.5** Officers will submit an application to the secretary of state to apply for a direction to establish a HRA hardship fund specifically for our tenants to assist those that have been financially impacted by the 2023/24 rent increase.

Table 1 Summary of HRA Budget Changes 2022/23 to 2023/24

HRA INCOME	£m
Rent	5.312
Charges to other services	-0.464
Total Income increase	4.848
HRA EXPENDITURE	
Budget growth	4.687
Increase in utilities	2.288
Decrease in HRA central recharges	-8.237
Other savings within central services	-0.242
Increase in depreciation	1.363
Total Expenditure Increase	-0.141
Revenue Contribution to Capital	5.253
	5.141

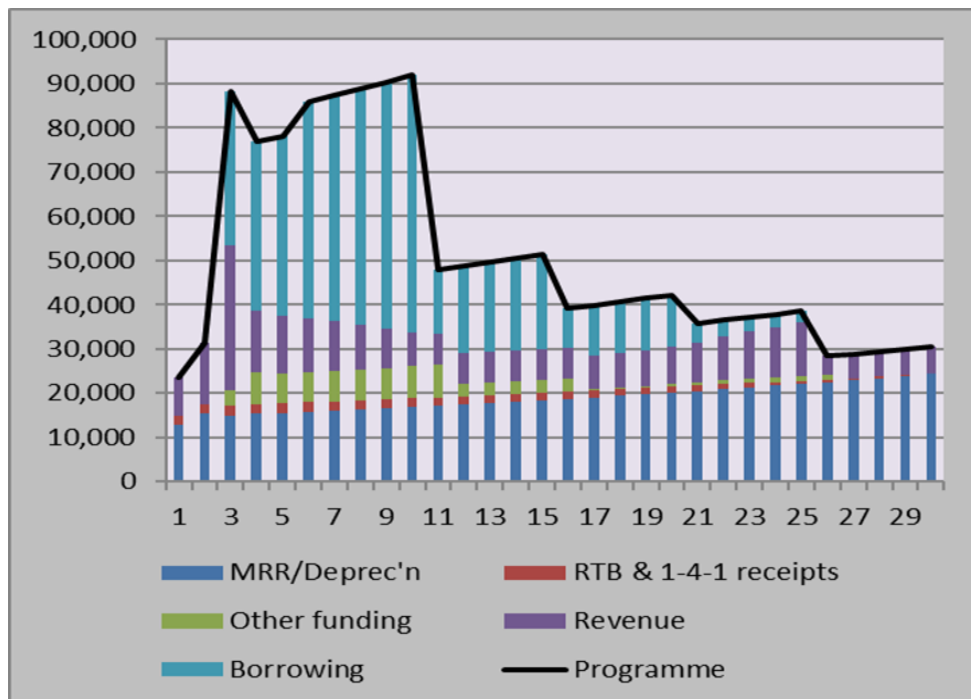
4.6 The business plan demonstrates that the HRA is financially viable. Reserves balances do not fall below the pre-set minimum of balance of £8.6m in year 1 thereafter are increased by inflation. Figure 1 shows reserves being maintained with a projected increase from year 26 onwards as it is assumed the capital programme is fully funded and contributions to reserves increase to £63m.

Figure 1 –Maintaining minimum reserves



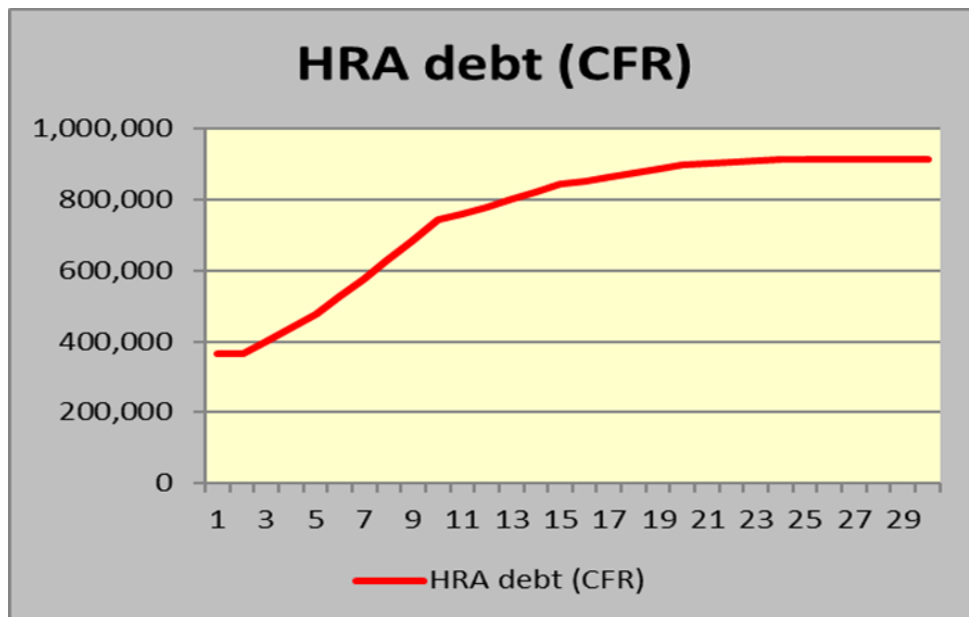
4.7 The projected capital expenditure, exclusive of any new developments, acquisitions or estate regeneration is funded without borrowing, up to year 2 as shown in figure 2.

Figure 2 Financing of capital expenditure



4.8 The HRA CFR (Capital Finance Requirement) is made up of the external borrowing as well as the funding of the capital programme through the use of HRA reserves. Figure 3 sets out the opening CFR of £365m rising to £915m over the period of the plan.

Figure 3 HRA CFR



4.9 Compared to previous iterations of the plan the current position reflects lower reserve balances coupled with a higher residual debt. A number of factors explain the reasons for this:

- A new 5% sample stock conditions survey that has informed the latest capital expenditure profile
- The capital programme includes works to improve the energy efficiency of properties and building safety works
- Increased repairs costs due to higher inflation and increased compliance requirements
- Increased utility costs, that are unrecovered from service charges in the 2022-23
- Higher levels of general inflation on costs

4.10 The plan is based on a number of assumptions as detailed in Appendix C, including a rent increase of 7% and a base inflation rate of 8.4% for April 2023

4.11 The plan will evolve over the coming year as the new asset management strategy is developed, based on an enhanced sample stock condition survey and as the Council's estate regeneration plans are identified.

Business Plan - Capital Programme

4.12 We are developing a full asset management strategy this forms part of the housing transformation plan it will detail our long-term plan for the management of the investment of our Council housing assets, as part of a ten-year rolling programme.

4.13 The 2023-24 capital programme set out in Appendix B_ and summarised in table 2 supports the development of the asset management strategy aims of meeting :

- 1) The manifesto promise to turn around and provide a housing service which we can be proud of - which provides warm, dry and safe homes for residents to live in. for residents to be proud of where they live in Croydon
- 2) The business plan priority to Develop an asset management strategy to invest in our council homes, modernise and bring them up to a standard fit for 21st century with outcomes designed to ensure Croydon is a cleaner, safer and healthier place, a borough we are proud to call home and invest in council homes to drive up standards and develop a more responsive and effective housing service.
- 3) The climate change and ecological emergency declared in 2019 and ensures
- 4) Consumer standards are met
- 5) Landlord responsibilities are achieved
- 6) Regulatory and legislative standards are complied with and are monitored.
- 7) Value for Money is achieved in maintaining and investing in the Assets

4.14 in developing the 2023/24 programme the key drivers were:

- Meeting the requirements set out in the Building Safety Act
- Replacements and upgrades identified through Fire Risk assessment
- Replacement of building components identified as 'beyond repair' in the current year
- Mechanical, electrical and compliance replacements identified through test and inspection
- Component replacement on a worst first basis driven by repairs information and data validation
- Pilot programme to develop proposals for moving housing assets from SAP D,E and F to a SAP C rating.
- Stock condition surveys to inform the asset management strategy and future programmes

Table 2 Summary of HRA Capital Programme 2023/24

CAPITAL PROGRAMME	£m
Property Improvements	15.411
Communal area Improvements	5.875
Building safety and Compliance	9,940
Regeneration	1.750
Total capital Programme	31.476

4.14 The 2023-24 capital programme building safety and compliance elements are met through

	Statutory and Compliance programme	Budget £m
Building safety	Replacement security doors	0.50
Building safety	Structural surveys	0.24
Building safety	Replacement Cladding	0.65
Building safety	Asbestos	0.20
Building safety	structural repairs (subsidence)	0.30
Building safety	Building Safety Consultancy	0.75

Compliance	Cyclical servicing and maintenance	1.79
Compliance	Electrical rewires	2.00
Fire risk assessment	Emergency lighting upgrades	1.00
Fire risk assessment	Fire alarm replacement	0.40
Fire risk assessment	Fire safety work (Regulatory reform (fire safety) order	0.50
Fire risk assessment	Replacement fire doors	1.61
	Total Statutory & Compliance Programme	9.94

4.15 Our future 10 year programme

The 2024-25 capital programme will consist of a strengthened responsive repairs programme that reflects the outcomes of the rolling surveys. In addition the intention is to invest in, improve and rebuild and develop our stock which will require the capacity to borrow significantly to realise these projects. Officers will also seek to work with partners and seek any available grants in order to ensure maximising the potential of the investments. A review of buildings and land will also be conducted to establish what might be surplus to core requirements and which could either be sold or developed in partnership with third parties to meet housing need. A number of projects have already been identified that could begin in 2024-25 a prudent estimate of £50m for these projects has been included within the treasury request for future potential borrowing. It is important to note that all building costs are rising rapidly due to inflation and supply issues.

1. Redevelopment work at Regina Road following the outcome of the tenants consultation a decision will be made on the future of the 3 blocks which will require funding.
2. Regeneration programme – an investment programme is required to rebuild or redevelop buildings within the HRA stock particularly those that of an age, type of construction or condition that responsive repairs are no longer value for – for example building over 60 years or LPS blocks.
3. Housing Capacity programme - a review of properties that have potential for further development on the existing site
4. Increase allocation of funding for fire safety & damp and mould works to allow for the additional interventions and mechanical works beyond those within the safety programme.

4.16 The 2025-26 programme will be further expanded to begin the programme of work in relation to the 13 other LPS blocks within the borough. The expectation of an additional £15.3m per year over 12 years

5 ALTERNATIVE OPTIONS CONSIDERED

5.1 The plan modelled a number of scenarios based on a range of assumptions as detailed in Appendix C section 3 thus providing a level of assurance for the basis of the current business plan model.

- 5.2 The plan shows a varied impact to both positive and negative sensitivities noting that consideration should be given to the level of residual debt that the HRA has at year 30. Although there is no statutory requirement for repayment.

6 CONSULTATION

- 6.1 As part of the rent setting 2023-24 engagement with residents was carried out through meeting of tenants and leaseholders in October and a specially convened Tenants & Leaseholder Panel meeting in December. In addition, a short an engagement survey was launched the feedback of which captured tenants' priorities.

- 6.2 The capital programme set out above is seeking to address the concerns raised by tenants in the top five priorities:

- 1) Keeping my block, estate, and neighbourhood clean and tidy
- 2) Improved repairs service
- 3) Internal works (windows, doors replacement)
- 4) Tackling anti-social behaviour
- 5) More CCTV (closed circuit television) and security

- 6.3 The clear messages from the survey responses are addressed in the current iteration of the business plan and will continue to be addressed as part of the ongoing capital programme.

“All services are important and needed so with the proposed rent increase all above should be improved without sacrificing another”

“The council needs to take much better care of their properties; they are falling into disrepair”

- 6.4 The Housing Directorate has held a dedicated 30-year HRA Business Plan briefing with the Housing Improvement Board to enable independent scrutiny of the Plan. The briefing is the first stage of broader joint-working with the Housing Improvement Board to ensure the Plan meets the needs of current and future tenants and leaseholders.

7. IMPLICATIONS

7.1 FINANCIAL IMPLICATIONS

This plan sets out the both the balanced HRA revenue budget for 2023-24, capital budget for 2023-24 as well as the projected capital expenditure and financing for the 30 year period. The report assists the Council's in determining the asset management strategy moving forward. It also assists in determining potential borrowing requirements and prudential borrowing indicators as part of the Council's medium-term financial strategy and treasury management strategy. There will be a need for a fuller review of the 30-year business plan once the results of the stock condition survey are available later this year.

Insert at the end of the section: Comments approved by Interim Head of Service, Finance on behalf of the Corporate Director of Resources. (Date 11/01/2023)

7.2 LEGAL IMPLICATIONS

- 7.2.1** The Council’s duties in relation to the HRA are set out in Part VI of the Local Government and Housing Act 1989. In particular, Section 76 of the 1989 Act places a duty on the Council to secure that the HRA for any year does not show a debit balance.
- 7.2.2** Section 76 of the 1989 Act requires the Council in the January or February preceding the relevant year to formulate proposals relating to (a) income from rents and other charges, and (b) the expenditure on repairs, maintenance, supervision and management of its houses. In formulating these proposals, the Council must secure that, on implementation, the HRA will not show a debit balance, assuming the following: a. that the best assumptions that they are able to make at that time as to all matters which may affect the amounts falling to be credited or debited to the HRA in the year prove to be correct; and, b. that the best estimates that they are able to make at that time of the amounts which, on those assumptions, will fall to be so credited or debited, also proves to be correct.
- 7.2.3** The Council is further obliged to keep the proposals referred to in this report under review to see if the requirement to avoid a debit balance continues to be satisfied during the year. In the event that the Council, on review, determines that this requirement will not be satisfied then the Council is, by virtue of Section 76(6), required to “make such revisions of the proposals as are reasonably practical towards securing that the proposals (as so revised) satisfy those requirements”. The duty in relation to “best assumptions and estimates” referred to above applies equally to such revised proposals.
- 7.2.4** As regards an application to the Secretary of State to establish an HRA Hardship Fund, this would be an application for a direction from the Secretary of State permitting the Council to make certain additional credits and debits to the HRA under Item 9 Part I and Item 10 Part II of Schedule 4 of the 1989 Act in relation to Discretionary Housing Payments. Guidance from the Secretary of State indicates that as there is no express provision in the 1989 Act relating to the funding of DHPs from the HRA, the Secretary of State is prepared to issue Directions to individual authorities to put the matter beyond doubt, subject to certain rules and limits. Following contact with the DLUHC, a draft direction has been sent to the Council for comments.
- 7.2.5** Insert at the end of the legal section: Comments approved by Sandra Herbert, the Head of Litigation & Corporate Law on behalf of the Director of Legal Services and Monitoring Officer. (Date 09/02/2023)

7.3 EQUALITIES IMPLICATIONS

- 7.3.1** Under the Public Sector Equality Duty of Equality Act 2010, decision makers must evidence consideration of any potential impacts of proposals on groups who share protected characteristics, before decisions are taken. This includes any decisions relating to how authorities act as employers; how they develop, evaluate and review policies; how they design, deliver and evaluate services, and also how they commission and procure services from others.
- 7.3.2** As a result, an overarching equality impact analysis has been undertaken in relation to the HRA 30 year business plan. Overall, given this plan is about investment in housing stock, there will likely be positive impacts for residents. However, the impact analysis has confirmed that the service does not have sufficient data on protected characteristics of Council tenants. This has been

recognised by the service and forms a workstream within the housing improvement plan. This work will ensure that activities and actions are inclusive to all residents.

7.3.3 The EQIA notes the negative impact on all tenants in respect of potential fuel poverty will be mitigated through the actions set out including increased engagement and a focus on properties most in need of investment.

7.3.4 Comments approved by Felisha Dussard on behalf of the Equalities Manager (08/02/2023)

OTHER IMPLICATIONS

7.3.5 HR IMPLICATIONS

There are no immediate HR implications arising from this report. In the event of any workforce impact the council will need to implement it's HR policy framework to manage the change process and to ensure adequate consultation with any staff that may be impacted upon, as well as the recognised trade unions.

Approved by: Dean Shoesmith, Chief People Officer

7.3.6 ENVIRONMENTAL IMPACT

The scope for this work impacting on carbon neutrality is set out within scenario modelling of the additional stock investment required to meet the costs of improving the stock to a zero-carbon standard. (Appendix C Paragraph 3.2)

Approved by Stephen Tate, Director of Housing – Estates and Improvement

8. APPENDICES

A. HRA (Housing Revenue Account) Budget 2023-24

B. HRA Capital Programme

C. Savills Draft Report: Housing Revenue Account Business Plan and Capacity Update December 2022

Appendix A – HRA 2023-24 Budget

London Borough of Croydon HRA Business Plan

HRA Summary

	1	2	3	4
	2023.24	2024.25	2025.26	2026.27
HRA 30 YEAR SUMMARY				
Dwelling rents	85,422,000	88,581,000	90,590,000	92,188,000
Non-dwelling rents	1,008,000	1,037,000	1,063,000	1,084,000
Service charge income	6,679,000	6,946,000	7,120,000	7,262,000
Other income and contributions	2,979,000	3,067,000	3,143,000	3,206,000
Total income	96,088,000	99,631,000	101,916,000	103,740,000
Repairs & maintenance	23,448,000	24,373,000	25,089,000	25,590,000
Management (incl RRT)	30,990,000	31,934,000	32,732,000	33,387,000
Bad debts	750,000	778,000	795,000	809,000
Dwelling Depreciation	14,729,000	14,999,000	15,313,000	15,559,000
Debt management	162,000	166,000	171,000	174,000
Total costs	70,079,000	72,250,000	74,100,000	75,519,000
Net income from services	26,009,000	27,381,000	27,816,000	28,221,000
Interest payable	(12,231,000)	(12,359,000)	(13,574,000)	(14,812,000)
Net income/expenditure before appropriations	13,778,000	15,022,000	14,242,000	13,409,000
Revenue contributions to capital	(13,778,000)	(15,022,000)	(14,242,000)	(13,409,000)
Net HRA Surplus/Deficit	0	0	0	0
HRA Balance brought forward	27,600,000	27,600,000	27,600,000	27,600,000
HRA surplus/(deficit)	0	0	0	0
HRA Balance carried forward	27,600,000	27,600,000	27,600,000	27,600,000



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Appendix B – HRA Capital Programme 2023-24

Work type	£	Description of capital programme
Adaptations	£1,000,000.00	Disabled adaptations
Building Safety	£3,750,000.00	Fire doors, RRO, Structural surveys and renewal of ground floor cladding on LPS blocks
EI referrals	£2,000,000.00	Electrical rewire after ECIR failure
Environmental work	£450,000.00	Communal areas, security doors and minor estate improvements
M&E	£4,495,000.00	CCTV, Lateral mains, Emergency lighting, fire alarms, Water tanks, booster pump, Lifts and door entry
SAP C	£1,100,000.00	Council housing Insulation project (SHDF Bid)
programmed renewals	£8,040,940.71	Kitchens & Bathrooms, Roofs and Windows / doors (includes AOV renewal programme)
Projects	£1,550,000.00	Completion of Dartmouth house, extensions and conversions
Regeneration	£1,750,000.00	Regina Road and LPS options
Repairs referrals	£2,350,000.00	Major voids, Asbestos, Repairs capitalisation, Heating breakdown replacements and pest control
Surveys and data collection	£1,000,000.00	Building safety surveys, stock condition surveys, Option appraisal and feasibility studies
Cyclical Maintenance	£1,790,000.00	
Project delivery costs	£2,200,000.00	Croydon cost of delivering the capital programmes
Grand Total	£31,475,940.71	

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Housing Revenue Account Business Plan and Capacity Update

Final Report.v1
January 2023

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1. Introduction

1.1. Background

The London Borough of Croydon (LBC, the Council) have appointed Savills to support officers in the production of the annual HRA Business Plan.

This builds upon the work undertaken last year in establishing a HRA Business Plan. LBC, like many authorities, need to adopt a new approach to setting out the financial capacity and capability of the HRA to deliver on its objectives towards refurbishment, investment, regeneration and new supply. Consideration of a new approach is also consistent with the requirement for the publication of Prudential Indicators specific to the HRA following their reintroduction alongside the abolition of the debt cap.

Savills have therefore worked with officers to update the HRA business plan that was produced in 2021.22, in respect of projected rent increases, uplifts to repair costs following the re-letting of the contracts that provide this service, but more importantly taking on the results of an initial stock condition survey combined with the results of work undertaken by officers to establish energy efficiency works and undertake building safety.

In the coming months the Council will develop a new Asset Management Strategy that will inform this plan but also reflect the results of a more extensive stock condition survey. Therefore, it is highly likely that this plan will evolve and result in a different profile in terms of stock investment.

This plan is based on the 2022.23 budget and those proposed for 2023.24 proposed budgets with anticipated increases to costs for salary increases and the rise in utility costs, which are greater than those originally forecast. It also incorporates the provisional 2023.24 HRA capital programme.

At this time it excludes any detailed estate regeneration or further acquisition or development programmes. However, provisions have been made for estimates for both works to LPS blocks and additional projects.

1.2. Factors the Sector is Facing

When considering the HRA business plan and its current resources, we must be mindful of the current and future challenges that the social housing sector faces. The following areas are not exclusive, but are the key ones that will impact upon both staffing and financial resources:

Building Safety

Since the tragic consequences of Grenfell Tower, steps have been made by Government to ensure that building and fire safety is at the forefront of social housing investment and delivery. This has increased the amount of reporting that is required and where the point of responsibility over how and what data is held. For LBC this has meant implementing new fire safety measures, which not only adds to capital investment but requires ongoing monitoring and maintenance. Recovery for these costs is also difficult from leaseholder due to current lease arrangements. Furthermore additional revenue resource is required in relation to ensuring compliance.

Tenant Satisfaction Measures

The Regulator for Social Housing is responsible for monitoring a range of Tenancy Services Measures, which all Registered Providers (including LBC) will be responsible for collating from April 2023 and external scrutiny from April 2024.

There will be an increased demand from the service to collate data from existing databases (some of which is already being reported) and new tenant surveys assessing satisfaction.

This is a direct outcome from the recent White Paper “The Charter for Social Housing Residents” that sets out what every social housing resident should expect:

- To be safe in your home
- To know how your landlord is performing
- To have your complaints dealt with promptly and fairly
- To be treated with respect
- To have your voice heard by your landlord
- To have a good quality home and neighbourhood to live in
- To be supported to take you first step to ownership

The Tenancy Services Measures are summarised in Appendix 6

1.3. Approach

This report sets out our findings as follows:

1. The results of the latest HRA business plan model in the light of market conditions, policy initiatives and other factors.
2. Outputs from financial modelling and sensitivity testing (where appropriate) to establish alternative an alternative delivery scenario for the business plan.
3. The impact to the metrics and indicators which can form the basis of future management and planning for the HRA.

2. Business plan model

2.1. Introduction

Our latest version of the HRA Business Plan model has been provided and populated in liaison with officers in order to progress the 2023.24 budget process and forms the basis of this report.

It will continue to have revisits in respect of updates to the asset management strategy and any forthcoming estate regeneration schemes as details become more apparent from those included within this plan.

2.2. Overview of methodology and assumptions

Overall

The plan is based on the following overarching principles:

- Balanced to the 2022.23 latest projections for the HRA
- 29 year projections from 2023.24 based on the provisional 2023.24 budget
- Core inflation projected at 2.0% thereafter with exemptions as detailed below
 - 8.4% for April 2023
 - 3.0% for April 2024
 - 2.5% for April 2025
- Rents increasing at CPI per annum with the exception of the following:
 - 7.0% April 2023 (on the basis of the recent rent determination capping increases at this level rather than CPI+1%, which would have been 11.1%)
 - CPI (3.0%) +1% in accordance with the final year of the current social housing rent policy
- Depreciation provision increasing at CPI throughout
- Due to the reletting of new revenue repairs contracts the forecast expenditure for 2022.23 of c£19million will increase to £23.463million for 2023.24. This take into account both inflation but also the increasing costs for ensuring compliance
- Maintenance of the existing tenanted stock (subject to Right to Buy sales) is modelled at a total of £861.240million over the 30 years from 2022.23 equating to £64,551 per unit, although when adjusted to tenanted properties only is £58,822
- Provision of £50million for additional projects in 2024.25 and a 12 year programme of £15.3million per year for LPS Block works
- The inclusion of 40 loans directly attributable to the HRA, that are at fixed interest rates for varying periods.

The overall methodology within the plan is also founded on net rental income servicing the operational expenditure, interest charges, and where required, additional borrowing to finance investment to the stock and loan refinancing when existing loan facilities mature.

The following paragraphs provide more detail to the key elements of the plan.

Rents

The rents contained within the modelling are consistent with the current social rent policy where the increase applied to April 2023 is capped at 7.0% in accordance with the recent determination issued by the Government. This intervention replaces, for one year, the policy increase of CPI plus 1%, which would have resulted in rent increases of 11.1%. The current policy concludes in April 2024 and we have assumed rents will increase by CPI + 1%, resulting in a forecast increase of 4.0%.

Rent levels, as an average for 2023.24, will be £115.73 per week on a 50 week basis and £178.19 for the 232 tenancies on affordable rents.

The rent policy moving forward will be consulted on during 2023 in respect of providing more certainty of rent increases for April 2025 and beyond. At this stage we have made the prudent assumption that rent for April 2025 and beyond will increase by CPI only.

Void rates of 1.66% and Bad Debt provision of 0.9% have been modelled throughout the plan.

Service Charges

In respect of tenants and increase for 2023.24 of 7.0% has been applied, matching the rent increase levels, which is less than forecast levels of inflation for costs, which results in additional under-recovery. We have not modelled any catch-up in terms of charges into future years in order to ensure full recovery of costs. We have modelled service charge increases matching rent increases moving forward.

Leaseholder service charges (for non-capital services) are forecast to increase from £2.015million to £2.052million inclusive of inflation.

Other Income

In terms of garage, a revised forecast has been modelled recognising the higher levels of voids and therefore reducing the levels of income by c22%.

There are a range of other internal recharges between the HRA and General and with the service itself that have been reviewed resulting in a reduction of c16% of budgeted income for 2023.24.

Management

A review has been undertaken for a range of recharges levied to the HRA and these have been integrated the forecast for 2023.24, resulting in a reduction of c17%.

These costs are factored into the 2023.24 forecast and beyond.

Repairs

The forecast position for 2023.24 will see significant growth as a result of the procurement of new repairs contracts but also the cost of ensuring compliance with building safety on account of the additional checks and recording that is required. In overall terms the repairs budget is set to increase by c24%.

Right to Buy sales volumes

The level of sales is modelled at 50 per annum over the next 5 years and then reduces by 2 per annum which accounts for a stock loss of 6.3% over the plan period. It might be expected that LBC will see further reductions in sale volumes on account of stability with house prices but also the availability and affordability of mortgages for prospective purchasers, but the approach taken is prudent. We have made adjustments to both rents, repairs and future investment expenditure to reflect these stock losses.

The HRA also benefits from the receipts from right to buy sales, for those not ring-fenced for new delivery, and these are utilised to fund capital works for the existing stock. This approach, will also be subject to annual review in respect of considering alternative uses.

Capital Works to Existing Properties

In previous iterations capital expenditure forecast were based on the asset management database. However, this was deemed not up to date and did not include provisions for building safety works and energy efficiency improvements.

In order to provide a more accurate position, ahead of the development of a new asset management strategy and comprehensive stock condition survey, Savills were commissioned to provide a 30-year forecast, in conjunction with officers, whilst basing the requirements on a 5% sample survey. This will provide the basis for both this plan but also the new asset management strategy and the recently commissioned stock condition survey that will extend the sample size significantly.

Table 2.1 – Stock Investment Requirements

Element Group	Year 1	Years 2 to 3	Years 4 to 5	Years 6 to 10	Years 11 to 15	Years 16 to 20	Years 21 to 25	Years 26 to 30	Total
Catch Up Repairs	£972,438	£0	£0	£0	£0	£0	£0	£0	£972,438
Kitchens	£0	£2,050,000	£5,535,000	£32,800,000	£19,577,500	£7,892,500	£7,585,000	£32,800,000	£108,240,000
Bathrooms	£164,000	£246,000	£3,854,000	£6,724,000	£6,396,000	£24,518,000	£13,366,000	£3,936,000	£59,204,000
Electrics	£254,200	£305,450	£1,834,750	£6,849,050	£6,586,650	£24,294,550	£12,787,900	£14,659,550	£67,572,100
Heating	£0	£358,750	£11,654,250	£15,190,500	£4,223,000	£21,473,750	£22,560,250	£3,403,000	£78,863,500
Roofs	£0	£209,100	£7,032,525	£18,600,675	£11,062,825	£8,764,775	£17,881,125	£4,281,425	£67,832,450
Walls	£0	£0	£926,600	£45,307,050	£22,875,950	£9,288,550	£10,252,050	£1,143,900	£89,794,100
Windows and Doors	£71,750	£597,575	£5,207,000	£19,905,500	£12,156,500	£14,884,025	£9,787,725	£4,996,875	£67,606,950
External Areas	£76,875	£47,663	£5,734,363	£15,123,875	£4,485,400	£4,620,188	£1,088,550	£656,513	£31,833,425
Communal Areas	£0	£133,250	£1,486,250	£7,185,250	£2,091,000	£1,045,500	£399,750	£379,250	£12,720,250
Total Programmed Renewals	£1,539,263	£3,947,788	£43,264,738	£167,685,900	£89,454,825	£116,781,838	£95,708,350	£66,256,513	£584,639,213
Contingency 10%	£153,926	£394,779	£4,326,474	£16,768,590	£8,945,483	£11,678,184	£9,570,835	£6,625,651	£58,463,921
Environmental Works	£1,334,200	£2,668,400	£2,668,400	£6,671,000					£13,342,000
Building Safety Works	£7,600,000	£15,200,000	£15,200,000						£38,000,000
Block M&E	£5,000,000	£10,000,000	£10,000,000	£25,000,000					£50,000,000
Structural Works	£1,300,000	£2,600,000	£2,600,000	£6,500,000					£13,000,000
SAP C - Energy Efficiency	£10,379,525	£20,759,050	£20,759,050	£51,897,625					£103,795,250
TOTAL EXPENDITURE	£27,306,914	£55,570,016	£98,818,661	£274,523,115	£98,400,308	£128,460,021	£105,279,185	£72,882,164	£861,240,384

We have assumed that year 1 is 2022.23 for the purposes of planning.

The current capital programme for 2022.23 is £21.908million plus a provision for fees of £1.8million.

Currently, the proposed capital programme for 2023.24 is £29.275million plus a provision for fees of £2.2million.

Therefore, the plan recognises the capital programmes for 2022.23 and 2023.24 respectively and allocates the resulting shortfall of £4.253million to 2024.25 and draws upon the expenditure profile from the above table from year 3, with a provision of £2.2million for fees.

The above table represents a significant investment in the existing stock, embracing the works required to improve the energy efficiency of homes, improving building safety and ensuring they are maintained at an appropriate standard.

As part of the commission Savills worked with officers to produce an investment requirement that results in the stock becoming zero-carbon and this is modelled as a scenario in the section below.

The overall investment is £861.240million and is works to all tenanted properties but also communal areas and buildings. As LBC currently has 2,585 leaseholders we have made appropriate provisions within the plan for the recovery of the applicable costs of works above the current level budgeted.

Additional Provisions Over and Above Works Identified within the Stock Condition Data Over the Next 10 Years

As part of the asset management strategy, a review of buildings and land will be conducted to establish what might be surplus to core requirements and which could either be sold or developed in partnership with third parties to meet housing need. A number of projects have already been identified that could begin in 2024-25 a prudent estimate of £50m for these projects has been included within the treasury request for future potential borrowing. It is important to note that all building costs are rising rapidly due to inflation and supply issues.

1. Redevelopment work at Regina Road following the outcome of the tenants consultation a decision will be made on the future of the 3 blocks which will require funding.
2. Regeneration programme – an investment programme is required to rebuild or redevelop buildings within the HRA stock particularly those that of an age, type of construction or condition that responsive repairs are no longer value for – for example building over 60 years or LPS blocks.
3. Housing Capacity programme - a review of properties that have potential for further development on the existing site
4. Increase allocation of funding for fire safety & damp and mould works to allow for the additional interventions and mechanical works beyond those within the safety programme.

Therefore the plan assumes expenditure of £50million as a provision in 2024.25. Furthermore, from 2025.26 a twelve year programme of £15.3million per annum has been provided to begin the programme of work in relation to the 13 other LPS blocks within the Borough.

New Build or Development Assumptions

The HRA has recently acquired a number of properties from the Council's development company Brick by Brick and these have been included within the base position of the model in terms of stock numbers, rents and opening debt position. No further acquisitions or new developments have been modelled within this plan.

Interest Rates

The opening debt (HRACFR) for the HRA stands at £365.497million. It is currently financed by 40 fixed loans totalling £334.342million in terms of both interest rates and maturity dates. The average interest rate for these loans is 3.28%. Internal borrowing between the Council's General Fund and HRA is utilised to fund the £31.155million difference and no interest is charged on this on account of no retrospective interest being credited to the HRA for the levels of reserve held. This position may well change as the Council will annually review its treasury management strategy.

HRA Business Plan and Capacity Update

As capital expenditure increases above current levels in order to meet the requirements as demonstrated in table 2.1 additional borrowing is required. Currently interest rates are the highest they have been for the last 14 years but the consensus amongst treasury advisors are that they will fall. A rate of 3.2% has been assumed for future borrowing, where required, with the exception of 3.6% in 2024.25.

2.3. HRA Business Plans Projections

As a starting position for financial forecasting an agreed set of assumptions relating to inflation and interest rates are factored in. In addition, a minimum reserve position for the HRA is required and the existing level of £8.6 million has been applied.

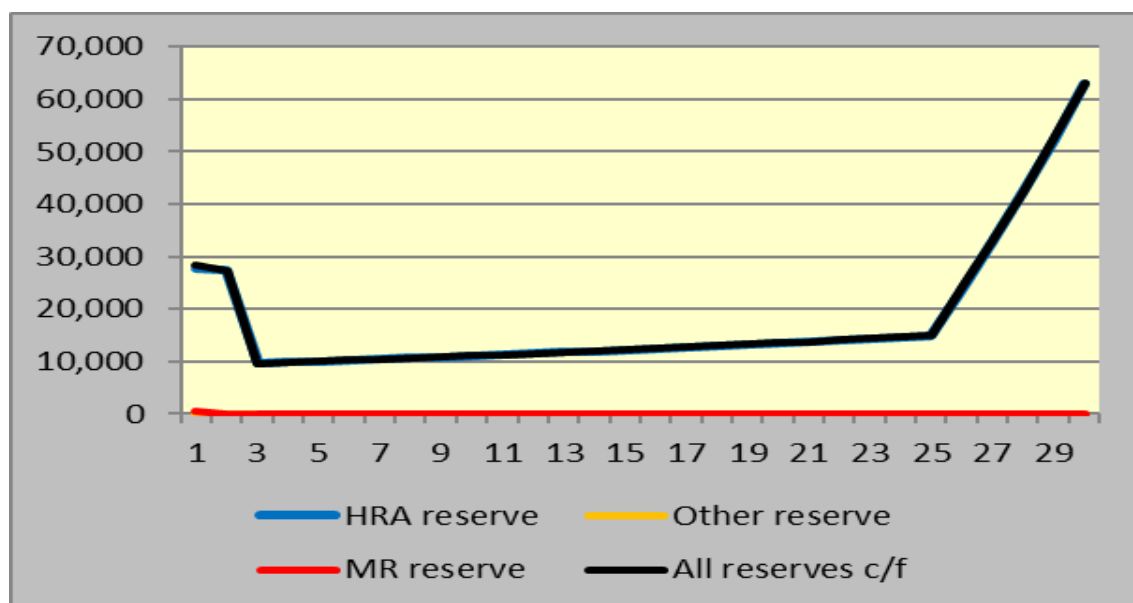
Various methodologies can be applied for arriving at this:

- Equivalent to a period of gross expenditure. In the case of LBC £8.6million is equivalent to 1.9 months of expenditure, whereas elsewhere we have seen 1.5 months set as a basis
- A percentage of turnover is also adopted at other LAs and £8.6million equates to 9.8% whereas others we have worked with have set limits at 10%
- Finally a straightforward allowance per unit is used, which equates to £640 per unit whereas values closer to £700 per unit are modelled elsewhere.

Using the above benchmarks, the level of minimum balance modelled of £8.6million appears sufficient and will have CPI applied to it.

- Therefore, the graphs below will show the HRA, maintaining a minimum balance of £8.6million (inflated year on year) with the maximum level of resources available from the HRA utilised to either finance the capital programme and (if any remaining available) and to reserve balances.

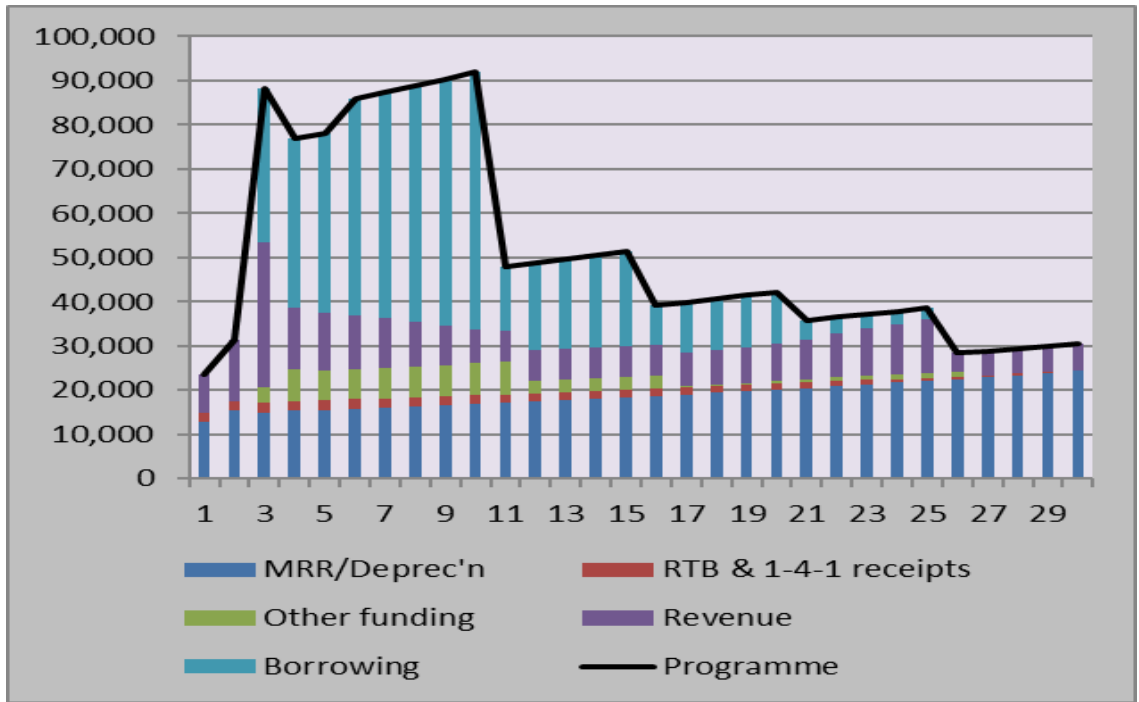
Chart 2.1 – Projected HRA balances



This demonstrates the plan can maintain the HRA balance at its minimum level for the duration of the plan. From year 26 onwards, on account of a reduction in the expenditure of the capital programme, balances begin to accrue in the plan to c£63.1million.

This is a lower future balance projection than previously projected on account to the operating costs and increased levels of investment in the stock.

Chart 2.2 – Projected capital expenditure and financing

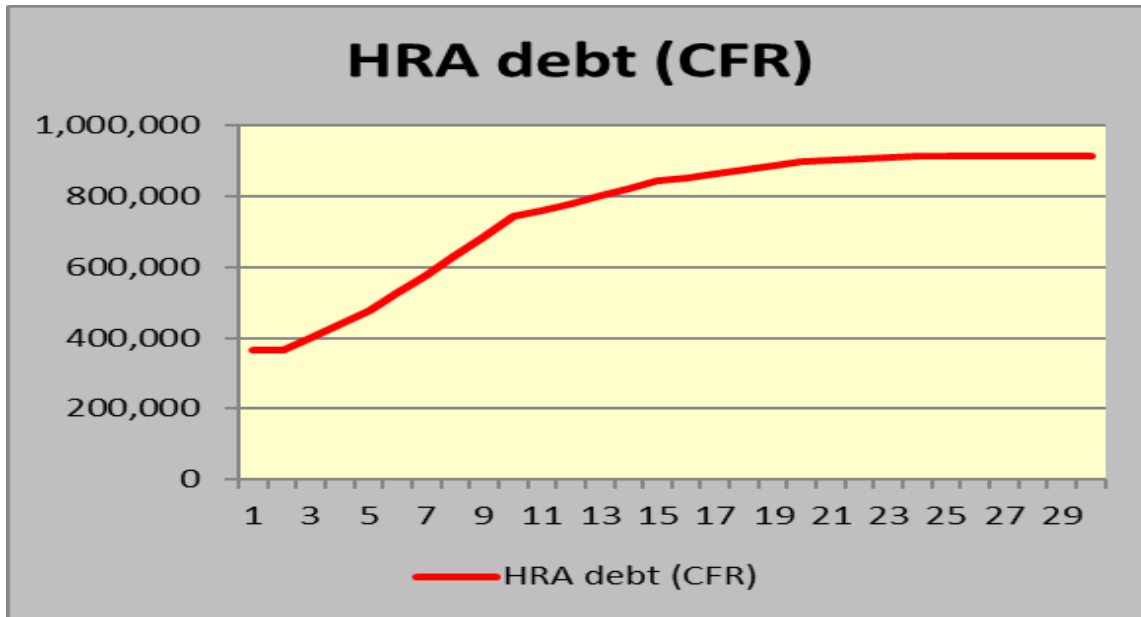


Capital expenditure remains fully funded throughout the 30 years demonstrated by the horizontal black line. From year 3 of the plan, where the stock investment requirements data is modelled there is a significant increase in expenditure to meet the requirements of building safety works and energy efficiency improvements plus the additional provisions over and above the stock condition data.

In order to finance this, additional borrowing is required to fully fund this. As the asset management strategy is developed, and additional surveys are undertaken, the expenditure profile demonstrated above is most likely to change as well as expenditure levels, but the above provides for a sound basis in which to understand the business plan position as it stands.

Inflation has been included within the above projections.

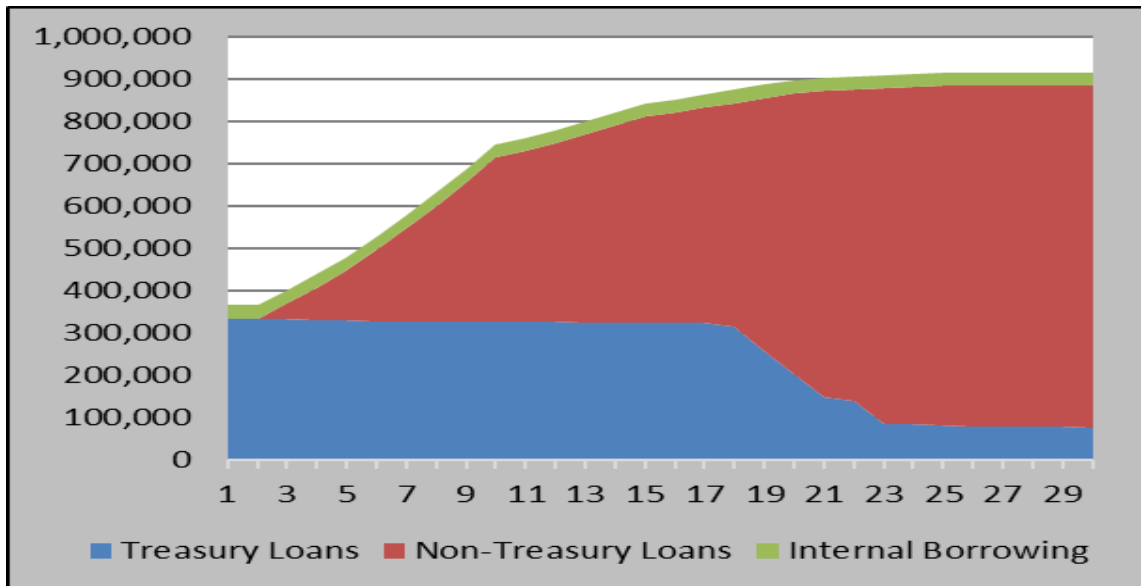
Chart 2.3 – Projected debt profile (HRACFR)



Borrowing is projected to peak in year 25 at £915.3million from an opening position of £365.5million.

All of the existing loan facilities that mature during the period of the plan are refinanced as demonstrated in the chart below.

Chart 2.4 – Projected Debt Analysis (HRACFR)



The blue shaded areas represent the existing loan portfolio that was allocated to the HRA in 2012 and any borrowing since then, whereas the red area represents a new pool of loans that are effectively a revolver type facility at an interest rate across all years at 3.2%, the exception of 3.6% in 2024.25.

2.4. Debt in Comparison to Provisional Prudential Limits

The HRA debt cap represented an artificial constraint on borrowing set outside the HRA and linked to future income and cost assumptions which were made in 2012. The housing and financial policy environment has moved on considerably since then, however the only change in the debt cap that has been implemented was for a small minority of authorities that opted to bid for an increase in 2014.¹⁵

The proposition within this analysis is that, whilst there is theoretically now no limit to borrowing within the HRA, the existing asset and operating base generates a net income stream that does offer a logical limit on sustainable borrowing levels. In setting out its investment strategy, the council therefore needs to consider how it will take decisions on whether to invest, how to fund, the extent of new borrowing, and determine a framework within which decisions will be taken for the business plan overall, within the medium term financial strategy and within successive budget rounds.

This report applies some metrics developed in the light of the experience of 40 years' of successful private finance of housing associations, during which associations have developed hundreds of thousands of new affordable homes, without a single association ever going into default with any of its lenders.

This is not the only approach that can be utilised, for example the council will have an established approach to the setting of Prudential Indicators in the General Fund which it might wish to consider in the HRA context. However, as will be seen, looking at tried and tested principles from a privately financed sector in the HRA context provides a powerful and persuasive evidence base for a significant increase in funding for new HRA developments.

Housing associations have traditionally been funded from long-term bank lending from the High Street banks and Building Societies. There is over £55billion of debt on HA balance sheets. Bank lending has been built on lending covenants which have become established in the marketplace and associated with the delivery of cheap debt. Whilst local authority borrowing is not directly secured on its asset base, the covenant approach provides a key insight into the viability and sustainability of borrowing as viewed by private lenders.

We have identified three covenants/ratios or metrics which we consider potentially relevant in the HRA context, set out below.

Interest Cover Ratio (ICR)

This is the ratio of operating surplus divided by interest costs, and represents the cover that the HRA has against its interest cost liabilities in any year; the ICR is set to a minimum which provides comfort that if there were a sudden drop in income or increase in operating costs, there would be sufficient headroom to continue to cover debt interest. For housing associations, the usual definition of operating surplus is EBITDA (Earnings before Interest, Tax, Depreciation and Appropriations). The average ICR for the HA sector in 2021.²² was around 1.38; typical lending covenants vary between 1.10 and 1.50 depending on the size and nature of the HA, with 1.25 being a typical expectation.

For the HRA, this is best defined as:

- Turnover (dwelling rents, other rents, service charges, contributions)
- Less
- Operating Costs (general management, special management, other management, repairs & maintenance, major repairs)

For housing associations, depreciation is not a cash transaction. In the HRA, because of the treatment of depreciation as a cash transfer to the MRR plus or minus an adjustment to reflect actual transfers to MRR, it is essential to include the net amount transferred to MRR in the calculation. This represents the revenue expenditure on major repairs made legitimately as part of operating costs. Notwithstanding that these are subsequently treated as part of the capital programme, they are funded from revenue and property an operating cost. Whilst transfers to the MRR may not be spent in-year, our experience is that the majority of balances carried in the MRR tend to be from expenditure slippage.

The above definition of ICR works in the HRA context as it determines the revenue surplus before interest, appropriations, and other “below the line” adjustments.

Loan to Value (LTV)

This is an essential tool for private lenders where debt is secured against properties, hence theoretically against their value. The basis for valuation in HAs has been Existing Use Value (Social Housing) - EUV(SH) - for decades with many HAs and lenders now adopting Market Value Subject to Tenancy as a valuation. Typical covenants prescribe 65-70% maximum LTV.

For the HRA, borrowing is not directly secured against the properties. In addition, the EUV(SH) calculation prescribed by government is not cashflow based, but is based on vacant possession values discounted by a regional factor periodically published by the government.

LTV is best defined in the HRA context as $\text{Outstanding Debt} / \text{Fixed Asset Value}$. Debt is defined as the HRACFR as this is the amount that must be financed with interest payments in the HRA. Asset values include all assets, dwellings and non-dwellings, as all assets are included in the generation of net income cashflows in the HRA.

Whilst the LTV definition works for the HRA to an extent, the absence of a clear relationship between net rental income and asset values means that the ratio tends to deliver a “low” result, compared to HAs.

Debt to Turnover (LTV)

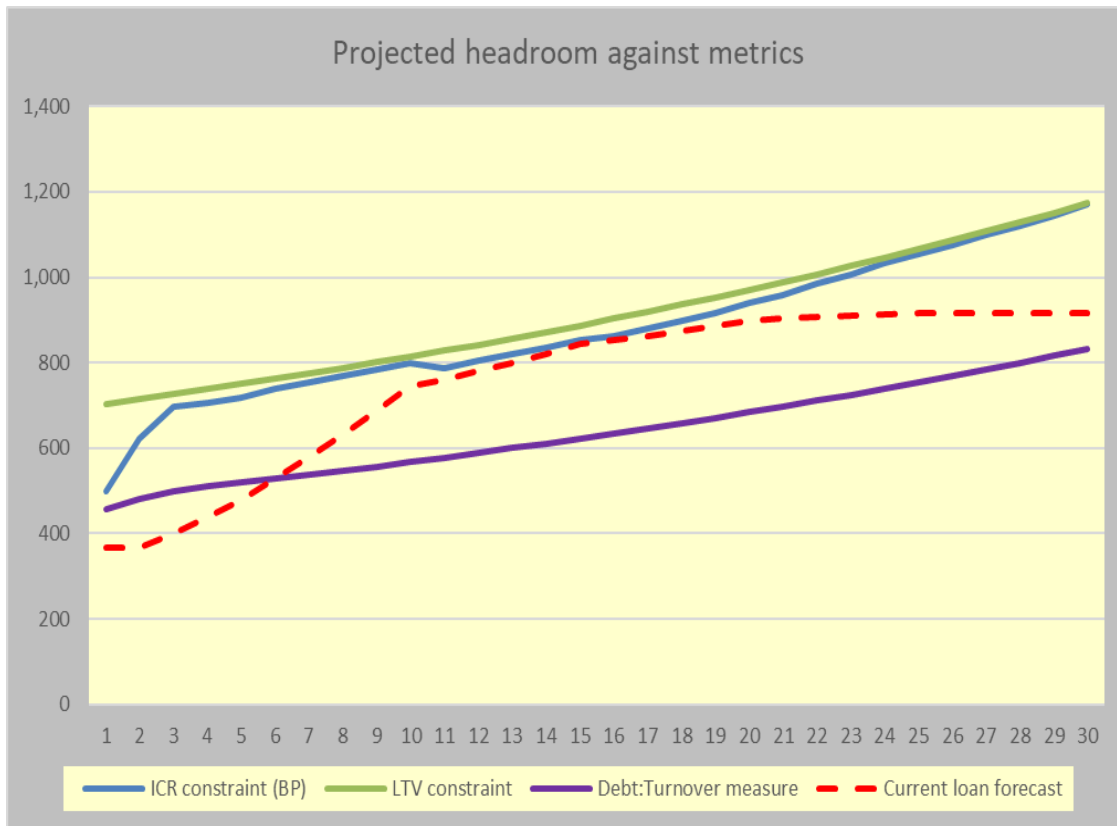
Another measure we have used for this analysis is the ratio of Debt to Turnover. This measure the level of turnover in relation to debt, which differs slightly from the ration used for assessing debtor balances against turnover. As a proxy we have suggested a ratio of 5:0, so that turnover can cover the level of debt outstanding by 5 times.

In the absence of an agreed prudential borrowing approach for the HRA we have suggested the following parameters:

ICR @ minimum 1.25
 LTV @ maximum 65%
 Debt:Turnover @ maximum 5:0

Using these parameters we are able to established a suggested range of borrowing limits which could be applied a “golden-rule” as shown within the graph below.

Chart 2.5 – Projected Debt (HRACFR) Compared to Provisional Borrowing Limit



The red (dashed) line shows the projected loan balances, as per chart 2.3 set against the three “golden-rule” suggested metrics.

Using the Loan to Value metric, the plan suggests that there is scope for borrowing headroom which is measured by the gap between the green and red (dashed) line.

The Debt to Turnover ratio suggests that borrowing will exceed the “golden-rule” modelled, which is due in part, to rent increases restricted at CPI levels, but also the additional expenditure over and above the stock condition data without any additional income.

By default, the Interest Cover Ratio is considered the benchmark for assessing borrowing capacity and using the “golden-rule” as suggested, the projected borrowing in the main remains below this level. The lowest level of borrowing headroom is £9.6million in year 16 of the plan.

3. Sensitivity & Scenario Modelling

3.1. Sensitivity Modelling

We have modelled a range of scenarios that demonstrate the impact to the plan as per the table below.

Scenario £'m	HRA Bal Yr 30	Debt Yr 30	Minimum Headroom ICR (Year)	Borrowing Limit at Year 30
BASE	63.096	915.327	9.559 (16)	1,170.373
Inflation +0.5% pa	92.882	904.780	54.686 (11)	1,342.434
Inflation -0.5% pa	37.221	924.979	-40.686 (16)	1,019.710
Interest +0.25% pa	47.350	948.365	-38.518 (16)	1,092.191

Rents CPI +1% all years	477.302	750.779	134.183 (1)	2,291.580
Rent Freeze (Yr 3 – 2024.25)	16.470	1,071.576	-183.179 (20)	1,010.560
Capital Expenditure +5%	42.650	1,000.664	-38.714 (16)	1,167.608
Capital Expenditure -5%	86.859	834.143	54.509 (15)	1,173.559
Capital Expenditure Inf +1% 5 Years	42.921	995.841	-33.941 (16)	1,167.930
Repairs Expenditure Infl +1% 5 Years	46.410	959.640	-47.442 (16)	1,117,913
Right to Buys (Reduced by 50%)	73.905	918.551	32.163 (15)	1,234.383
Voids +0.5% Bad Debts +1%	38.010	987.590	-77.759 (16)	1,096.061

The plan shows a varied impact to both positive and negative sensitivities. Areas of concern will more around the residual debt that the HRA has at year 30, although there is no statutory requirement for repayment, and the reduction in borrowing headroom.

3.2. Scenario Modelling

The sensitivity table above demonstrates the impact to the plan for areas that will be primarily outside of the control of LBC.

As detailed earlier, an additional stock investment requirement has been modelled which identifies the potential cost of improving the stock to a zero-carbon standard, in conjunction with officers.

The table below details the expenditure in order to achieve this.

Table 3.1 – Stock Investment Requirements (Zero-Carbon Scenario)

Element Group	Year 1	Years 2 to 3	Years 4 to 5	Years 6 to 10	Years 11 to 15	Years 16 to 20	Years 21 to 25	Years 26 to 30	Total
Catch Up Repairs	£972,438	£0	£0	£0	£0	£0	£0	£0	£972,438
Kitchens	£0	£2,050,000	£5,535,000	£32,800,000	£19,577,500	£7,892,500	£7,585,000	£32,800,000	£108,240,000
Bathrooms	£164,000	£246,000	£3,854,000	£6,724,000	£6,396,000	£24,518,000	£13,366,000	£3,936,000	£59,204,000
Electrics	£254,200	£305,450	£1,834,750	£6,849,050	£6,586,650	£24,294,550	£12,787,900	£14,659,550	£67,572,100
Heating	£0	£0	£0	£0	£0	£0	£0	£0	£0
Roofs	£0	£209,100	£7,032,525	£18,600,675	£11,062,825	£8,764,775	£17,881,125	£4,281,425	£67,832,450
Walls	£0	£0	£926,600	£0	£0	£0	£0	£0	£926,600
Windows and Doors	£71,750	£597,575	£5,207,000	£0	£0	£0	£0	£0	£5,876,325
External Areas	£76,875	£47,663	£5,734,363	£15,123,875	£4,485,400	£4,620,188	£1,088,550	£656,513	£31,833,425
Communal Areas	£0	£133,250	£1,486,250	£7,185,250	£2,091,000	£1,045,500	£399,750	£379,250	£12,720,250
Total Programmed Renewals	£1,539,263	£3,589,038	£31,610,488	£87,282,850	£50,199,375	£71,135,513	£53,108,325	£56,712,738	£355,177,588
Contingency 10%	£153,926	£358,904	£3,161,049	£8,728,285	£5,019,938	£7,113,551	£5,310,833	£5,671,274	£35,517,759
Environmental Works	£1,334,200	£2,668,400	£2,668,400	£6,671,000					£13,342,000
Building Safety Works	£7,600,000	£15,200,000	£15,200,000						£38,000,000
Block M&E	£5,000,000	£10,000,000	£10,000,000	£25,000,000					£50,000,000
Structural Works	£1,300,000	£2,600,000	£2,600,000	£6,500,000					£13,000,000
Zero Carbon	£20,800,000	£41,600,000	£41,600,000	£115,000,000	£115,000,000	£115,000,000	£115,000,000		£564,000,000
TOTAL EXPENDITURE	£37,727,389	£76,016,341	£106,839,936	£249,182,135	£170,219,313	£193,249,064	£173,419,158	£62,384,011	£1,069,037,347

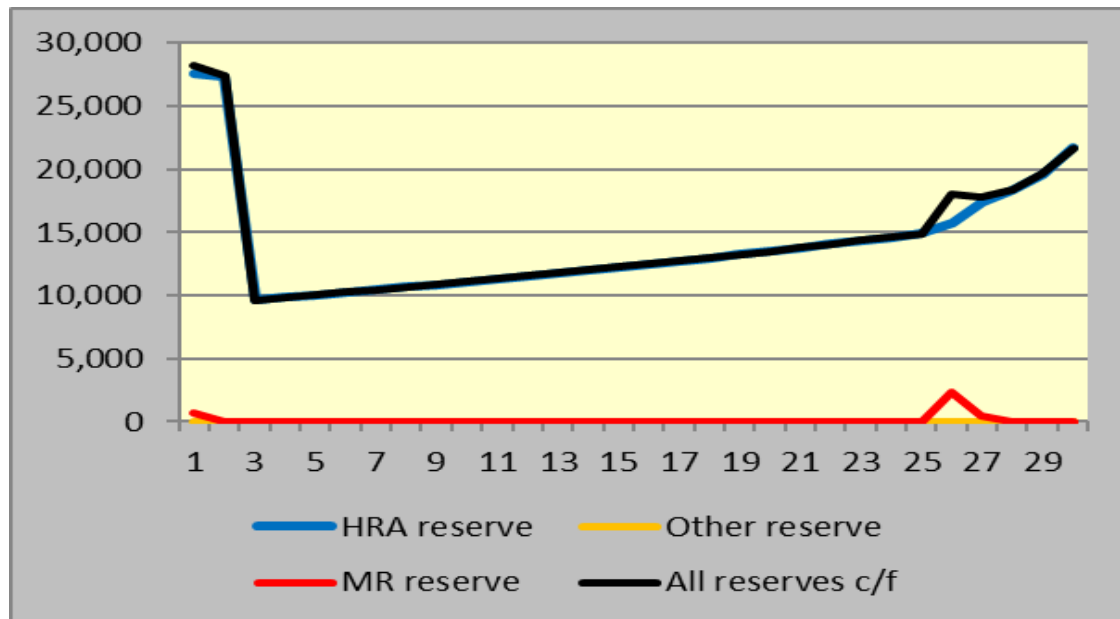
Investment over the 30-year plan increases to £1.069billion, an increase of 24.1% coupled with a change in profile of expenditure.

HRA Business Plan and Capacity Update

The assumptions in respect of the £50million addition provision and works to LPS blocks totalling £183.6million remain within the plan.

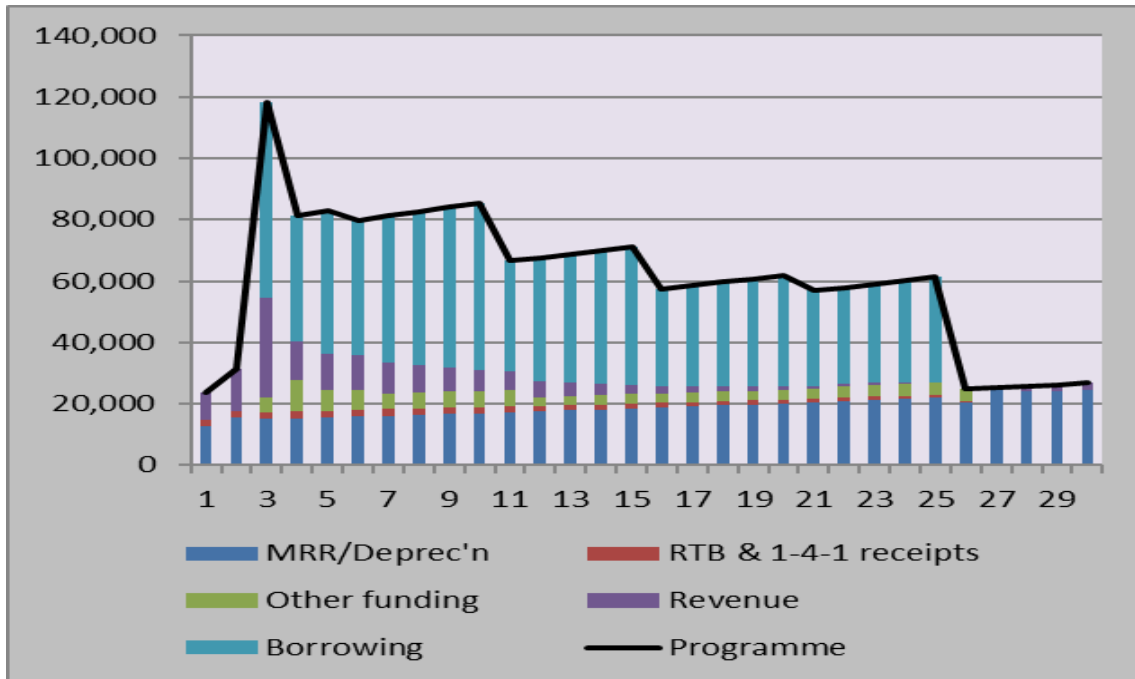
We have modelled the results of applying this level of investment to the plan

Chart 3.1 – Projected HRA balances (Zero-Carbon Scenario)



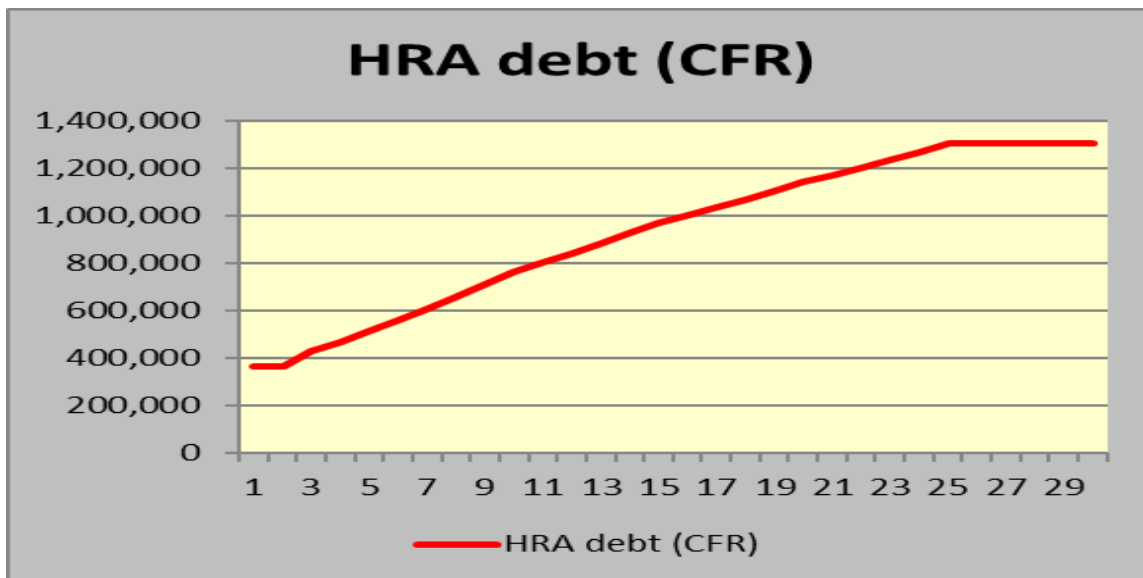
The HRA is able to maintain its minimum balance for the long-term with a gradual increase from year 26 to £21.7million.

Chart 3.2 – Projected capital expenditure and financing (Zero-Carbon Scenario)



This chart demonstrates the changes and levels of capital investment requirement with this scenario, and that additional borrowing is required in almost all years in order to finance the expenditure.

Chart 3.3 – Projected debt profile (HRACFR) (Zero-Carbon Scenario)



This chart demonstrates that the need to continually borrow until year 25, where the level of debt peaks at £1.305billion.

It should be noted that within this scenario we have not modelled any form of subsidy towards the expenditure in order to meet zero carbon.

4. Summary

1. The HRA business plan forecast as set out in our modelling for the London Borough of Croydon shows the current projected financial position and future potential borrowing capacity.
2. The plan provides a basis on which to move forward with its investment plans, and provides some additional provision in respect of works outside of the stock condition survey.
3. The Council is able to increase borrowing immediately based on existing capacity within the business plan if using the ICR metric based on a minimum of 1.25.
4. The plan, whilst balanced in terms of maintain minimum levels of reserves, does require substantial borrowing in order to finance the identified capital investment, which may be offset with the possibility of external grant funding towards energy efficiency measures.
5. When compared to previous iterations of the business plan there are have been significant factors that have resulted in lower projected balances and greater borrowing levels including:
 - a. Capital Investment requirements increasing by over 30 years by £214million (prior to inflation), equivalent to 30.3% and additional provision for works to LPS blocks above this.
 - b. Substantial increases to the costs of repairs due to inflation and enhanced costs for compliance
 - c. Rent increases lower than levels of cost inflation

6. By substantially increasing the investment in existing stock, for example to assist with meeting the de-carbon agenda, would result in an unviable business plan albeit without external subsidy towards the cost of achieving this.
7. The Council can affect future operating surpluses through effective cost management and this would increase borrowing capacity. Similarly, increases in inflation and in particular in rent inflation would add significantly to future capacity.
8. This report should provide a basis for the Council to inform its future approach to establishing a decision making framework for its HRA investment and development strategies, and also inform the work to be undertaken to adopt Prudential Indicators for the HRA. However, this needs to be considered in the context of LBC's treasury management strategy.

Steve Partridge & Simon Smith
Savills
January 2023

5. Appendix 1 Key Assumptions

	Assumption	Notes
Dwelling Rent	7% Increase 2023.24 then CPI + 1% Increase in 2024.25 and CPI only thereafter	
Void rates	1.66%	
Service Charges	CPI + 1% in 2024.25 and CPI increases from 2025.26	Full service charge review to be carried out
Non dwelling rents	CPI only increases after adjustments to base budget	
Garage Rents	CPI only increases after adjustments to base budget	Review of long term void garages required with demolitions and infills decisions
Major Works Leaseholder Contributions	Linked to Capital Programme	
Repairs and Maintenance Costs	Above CPI increases in initial years (1.8%, 1.15% 0.5%) then CPI only	
Heating and hot water charges	CPI only increases	

Interest rate on borrowings	Based on Existing actual rates c3.28% then average of 3.2%	
Depreciation	Straight Line Basis over life of Assets	

6. Appendix 2 Benchmarks

Outer-London Benchmarks for Financial Year 2021.22

Metric	Croydon 2021.22	Outer London 2021.22 Average
Rented Properties	13,623	9,252
Gross Management per unit	£2,850	£2,682
Net Management (less service charges) per unit	£2,408	£1,908
Repairs per unit	£986	£1,191
Gross Management and Repairs per unit	£3,836	£3,873
Depreciation per unit	£990	£1,241
Average Rent (52 week basis)	£112.13	£110.53
Other (non-Service Charge) Income per unit	£271	£179
Operating Surplus per unit	£1,753	£1,273
Operating Margin	26.4%	19.5%
Debt per unit	£26,835	£20,465
Interest per unit	£890	£539
Interest Rate	3.32%	4.01%
Reserves per unit	£452	£1,619

7. Appendix 3 Rental Income Budget

Table 1 Social Rents p/w 2022-23

Bedroom Size	Average rent 2022-23 - £ p/w	Average rent 2022-23 with Increase - £ p/w	Increase - £ p/w
0 Bedsit	80.27	85.89	5.62
1	96.70	103.47	6.77
2	115.42	123.50	8.08
3	133.02	142.33	9.31

Table 2 Summary of Housing Rent Budgets for 2022-23

Type of Rent /Charge	Rents for 2023.24 with 7% Increase	Rents for 2023.24	Additional Income
Housing Dwelling Rents	£82,369,741	£77,266,663	£5,103,078
Housing Service Charge	£4,626,680	£4,324,000	£302,680
Parking Space Rents	£38,367	£38,367	£-
Garage Rents	£968,754	£1,241,000	-£272,246
Heating Charges	£555,008	£512,000	£43,008
	£88,558,550	£83,382,030	£5,176,520

8. Appendix 4 Capital Programme

Capital Programme	2023.24
Adaptations	£1,000,000
Building Safety	£3,750,000
Environmental work	£450,000
M&E	£4,495,000
Net Zero	£1,100,000
Programmed Renewals	£8,040,941
Projects	£1,550,000
Regeneration	£1,750,000
Repairs referrals	£2,350,000
Staffing Costs	£2,200,000
Surveys and data collection	£1,000,000
EI referrals	£2,000,000
Cyclical Maintenance	£1,790,000
Total	£31,475,941



9. Appendix 5 Financial Tables

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Year	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34	2034.35	2035.36	2036.37
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
HRA 30 YEAR SUMMARY															
Dwelling rents	80,110	85,422	88,581	90,590	92,188	93,816	95,482	97,187	98,933	100,720	102,551	104,426	106,347	108,315	110,332
Non-dwelling rents	1,276	1,007	1,037	1,063	1,084	1,106	1,128	1,150	1,173	1,197	1,221	1,245	1,270	1,296	1,321
Service charge income	6,339	6,679	6,946	7,120	7,262	7,407	7,555	7,707	7,861	8,018	8,178	8,342	8,509	8,679	8,852
Other income and contributions	3,533	2,977	3,067	3,143	3,206	3,270	3,336	3,403	3,471	3,540	3,611	3,683	3,757	3,832	3,908
Total income	91,258	96,085	99,631	101,916	103,740	105,599	107,501	109,447	111,438	113,475	115,561	117,696	119,882	122,121	124,414
Repairs & maintenance	18,963	23,463	24,373	25,089	25,590	26,015	26,450	26,896	27,353	27,821	28,301	28,793	29,297	29,814	30,345
Management (incl RRT)	36,819	31,004	31,934	32,732	33,387	34,055	34,736	35,431	36,139	36,862	37,599	38,351	39,118	39,901	40,699
Bad debts	750	750	778	795	809	823	838	853	868	884	899	916	933	950	967
Depreciation	13,488	14,729	14,999	15,313	15,559	15,810	16,070	16,337	16,610	16,891	17,178	17,474	17,776	18,087	18,406
Debt management	51	162	166	171	174	177	181	185	188	192	196	200	204	208	212
Total costs	70,071	70,107	72,250	74,101	75,519	76,880	78,275	79,700	81,158	82,649	84,174	85,733	87,328	88,959	90,629
Net income from services	21,187	25,978	27,382	27,816	28,222	28,719	29,226	29,746	30,279	30,826	31,387	31,963	32,554	33,162	33,786
Interest payable	-12,398	-12,231	-12,359	-13,574	-14,812	-16,168	-17,739	-19,402	-21,139	-22,953	-24,256	-24,770	-25,388	-26,044	-26,717
Interest income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net income/expenditure before appropriations	8,789	13,747	15,022	14,242	13,409	12,551	11,488	10,345	9,141	7,874	7,131	7,193	7,166	7,118	7,069
Set aside for debt repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue contributions to capital	-8,789	-13,962	-32,805	-14,002	-13,213	-12,350	-11,283	-10,136	-8,928	-7,656	-6,910	-6,967	-6,935	-6,883	-6,829
Net HRA Surplus/Deficit	0	-215	-17,783	240	197	201	205	209	213	217	222	226	231	235	240
HRA Balance brought forward	27,600	27,600	27,385	9,602	9,842	10,039	10,240	10,445	10,653	10,866	11,084	11,306	11,532	11,762	11,997
HRA surplus/(deficit)	0	-215	-17,783	240	197	201	205	209	213	217	222	226	231	235	240
HRA Balance carried forward	27,600	27,385	9,602	9,842	10,039	10,240	10,445	10,653	10,866	11,084	11,306	11,532	11,762	11,997	12,237
HRA CAPITAL PROGRAMME															
Stock capital investment	23,708	31,476	88,178	76,807	78,085	85,927	87,372	88,852	90,369	91,923	47,931	48,771	49,632	50,515	51,420
Development/acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital programme	23,708	31,476	88,178	76,807	78,085	85,927	87,372	88,852	90,369	91,923	47,931	48,771	49,632	50,515	51,420
Scheduled Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Financed by...</i>															
Major Repairs Reserve	-12,821	-15,395	-14,999	-15,313	-15,559	-15,810	-16,070	-16,337	-16,610	-16,891	-17,178	-17,474	-17,776	-18,087	-18,406
1-4-1 receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other receipts and grants	0	0	-3,541	-7,320	-6,613	-6,745	-6,855	-6,992	-7,132	-7,275	-7,420	-2,846	-2,902	-2,961	-3,020
Revenue contributions	-8,789	-13,962	-32,805	-14,002	-13,213	-12,350	-11,283	-10,136	-8,928	-7,656	-6,910	-6,967	-6,935	-6,883	-6,829
HRA borrowing	0	0	-34,694	-38,012	-40,519	-48,873	-51,051	-53,329	-55,702	-58,169	-14,548	-19,673	-20,270	-20,902	-21,548
Capital financing	-23,708	-31,476	-88,178	-76,807	-78,085	-85,927	-87,372	-88,852	-90,369	-91,923	-47,931	-48,771	-49,632	-50,515	-51,420
Net balance on capital programme	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

HRA Business Plan and Capacity Update



Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
Financial Year	2037.38	2038.39	2039.40	2040.41	2041.42	2042.43	2043.44	2044.45	2045.46	2046.47	2047.48	2048.49	2049.50	2050.51	2051.52	
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	
HRA 30 YEAR SUMMARY																
Dwelling rents	112,399	114,519	116,692	118,920	121,206	123,550	125,955	128,422	130,955	133,553	136,221	138,960	141,772	144,659	147,624	
Non-dwelling rents	1,348	1,375	1,402	1,430	1,459	1,488	1,518	1,548	1,579	1,611	1,643	1,676	1,709	1,744	1,779	
Service charge income	9,029	9,210	9,394	9,582	9,774	9,969	10,169	10,372	10,579	10,791	11,007	11,227	11,452	11,681	11,914	
Other income and contributions	3,987	4,066	4,148	4,231	4,315	4,402	4,490	4,579	4,671	4,764	4,860	4,957	5,056	5,157	5,260	
Total income	126,763	129,170	131,636	134,164	136,754	139,409	142,131	144,922	147,784	150,720	153,731	156,820	159,989	163,241	166,577	
Repairs & maintenance	30,889	31,447	32,019	32,607	33,210	33,828	34,464	35,115	35,785	36,472	37,178	37,902	38,647	39,411	40,197	
Management (incl RRT)	41,513	42,343	43,190	44,053	44,935	45,833	46,750	47,685	48,639	49,611	50,604	51,616	52,648	53,701	54,775	
Bad debts	985	1,004	1,023	1,042	1,062	1,083	1,104	1,126	1,148	1,171	1,194	1,218	1,243	1,268	1,294	
Depreciation	18,733	19,069	19,414	19,769	20,133	20,506	20,890	21,284	21,690	22,106	22,534	22,974	23,426	23,891	24,368	
Debt management	216	221	225	229	234	239	244	248	253	258	264	269	274	280	285	
Total costs	92,336	94,084	95,871	97,701	99,573	101,490	103,451	105,459	107,514	109,618	111,773	113,979	116,237	118,550	120,919	
Net income from services	34,427	35,087	35,765	36,463	37,180	37,919	38,680	39,463	40,270	41,101	41,958	42,841	43,751	44,690	45,658	
Interest payable	-27,234	-27,554	-27,906	-28,226	-28,441	-28,557	-28,428	-28,531	-28,451	-28,535	-28,573	-28,567	-28,567	-28,567	-28,567	
Interest income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net income/expenditure before appropriations	7,193	7,533	7,859	8,237	8,739	9,363	10,251	10,933	11,819	12,566	13,385	14,274	15,185	16,123	17,091	
Set aside for debt repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Revenue contributions to capital	-6,948	-7,283	-7,604	-7,977	-8,475	-9,092	-9,976	-10,651	-11,532	-12,274	-4,293	-5,498	-5,758	-6,026	-6,303	
Net HRA Surplus/Deficit	245	250	255	260	265	270	276	281	287	292	9,091	8,776	9,426	10,097	10,788	
HRA Balance brought forward	12,237	12,482	12,732	12,986	13,246	13,511	13,781	14,057	14,338	14,625	14,917	24,009	32,785	42,211	52,308	
HRA surplus/(deficit)	245	250	255	260	265	270	276	281	287	292	9,091	8,776	9,426	10,097	10,788	
HRA Balance carried forward	12,482	12,732	12,986	13,246	13,511	13,781	14,057	14,338	14,625	14,917	24,009	32,785	42,211	52,308	63,096	
HRA CAPITAL PROGRAMME																
Stock capital investment	39,229	39,943	40,676	41,427	42,198	35,817	36,493	37,187	37,899	38,630	28,364	28,919	29,488	30,072	30,672	
Development/acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Capital programme	39,229	39,943	40,676	41,427	42,198	35,817	36,493	37,187	37,899	38,630	28,364	28,919	29,488	30,072	30,672	
Scheduled Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<i>Financed by...</i>																
Major Repairs Reserve	-18,733	-19,069	-19,414	-19,769	-20,133	-20,506	-20,890	-21,284	-21,690	-22,106	-22,534	-22,974	-23,426	-23,891	-24,368	
1-4-1 receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other receipts and grants	-3,080	-542	-553	-564	-576	-587	-880	-898	-916	-934	-953	0	0	0	0	
Revenue contributions	-6,948	-7,283	-7,604	-7,977	-8,475	-9,092	-9,976	-10,651	-11,532	-12,274	-4,293	-5,498	-5,758	-6,026	-6,303	
HRA borrowing	-8,917	-11,566	-11,691	-11,774	-11,744	-4,433	-3,623	-3,275	-2,920	-2,600	0	0	0	0	0	
Capital financing	-39,229	-39,943	-40,676	-41,427	-42,198	-35,817	-36,493	-37,187	-37,899	-38,630	-28,364	-28,919	-29,488	-30,072	-30,672	
Net balance on capital programme	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	



10. Appendix 6 Tenancy Service Measures

Measured by Landlords Directly		Combined	TP – Measured by doing Tenant Surveys
Repairs Completed in timescales	Keeping Properties in good repair	Overall Satisfaction	Satisfaction with repairs
Fire Safety Checks	Maintaining Building Safety	Satisfaction with time taken to complete most repairs	Satisfaction that the home is well maintained
Water Safety Checks	Respectful and Helpful Engagement	Satisfaction that the landlord listens to tenants view and acts upon them	Satisfaction that the landlord keeps tenants informed about things that matter to them
Complaints relative to the size of the landlord	Effective handling of complaints	Agreement that the landlord treats tenants fairly and with respect	Satisfaction with the landlords approach to handling complaints
Anti-social behaviour cases relative to the size of the landlord	Responsible neighbourhood management	Satisfaction that the landlord keeps communal areas clean and well maintained	Satisfaction that the landlord makes a positive contribution to neighbourhoods
		Satisfaction with the landlord's approach to handling anti-social behaviour	

Equality Analysis Form

1. Introduction

1.1 Purpose of Equality Analysis

The council has an important role in creating a fair society through the services we provide, the people we employ and the money we spend. Equality is integral to everything the council does. We are committed to making Croydon a stronger, fairer borough where no community or individual is held back.

Undertaking an Equality Analysis helps to determine whether a proposed change will have a positive, negative, or no impact on groups that share a protected characteristic. Conclusions drawn from Equality Analyses helps us to better understand the needs of all our communities, enable us to target services and budgets more effectively and also helps us to comply with the Equality Act 2010.

An equality analysis must be completed as early as possible during the planning stages of any proposed change to ensure information gained from the process is incorporated in any decisions made.

In practice, the term '**proposed change**' broadly covers the following:-

- Policies, strategies and plans;
- Projects and programmes;
- Commissioning (including re-commissioning and de-commissioning);
- Service review;
- Budget allocation/analysis;
- Staff restructures (including outsourcing);
- Business transformation programmes;
- Organisational change programmes;
- Processes (for example thresholds, eligibility, entitlements, and access criteria).

2. Proposed change

Directorate	Housing
Title of proposed change	HRA 30 Year Business Plan
Name of Officer carrying out Equality Analysis	Orlagh Guarnori

2.1 Purpose of proposed change (see 1.1 above for examples of proposed changes)

30 year Business Plan for the Housing Revenue Account with consideration to both capital and revenue investments required for the management and maintenance of Croydon Council's housing stock

3. Impact of the proposed change

Important Note: It is necessary to determine how each of the protected groups could be impacted by the proposed change. Who benefits and how (and who, therefore doesn't and why?) Summarise any positive impacts or benefits, any negative impacts and any neutral impacts and the evidence you have taken into account to reach this conclusion. Be aware that there may be positive, negative and neutral impacts within each characteristic.

Where an impact is unknown, state so. If there is insufficient information or evidence to reach a decision you will need to gather appropriate quantitative and qualitative information from a range of sources e.g. Croydon Observatory a useful source of information such as Borough Strategies and Plans, Borough and Ward Profiles, Joint Strategic Health Needs Assessments <http://www.croydonobservatory.org/> Other sources include performance monitoring reports, complaints, survey data, audit reports, inspection reports, national research and feedback gained through engagement with service users, voluntary and community organisations and contractors.

3.1 Deciding whether the potential impact is positive or negative

Table 1 – Positive/Negative impact

For each protected characteristic group show whether the impact of the proposed change on service users and/or staff is positive or negative by briefly outlining the nature of the impact in the appropriate column. . If it is decided that analysis is not relevant to some groups, this should be recorded and explained. In all circumstances you should list the source of the evidence used to make this judgement where possible.

Protected characteristic group(s)	Positive impact	Negative impact	Source of evidence
Age	<p>People will benefit from the overall investment in council housing of £31.5m in year one 2023-24.</p> <p>In addition our future (in particular the 2024-25 programme) will consist of a strengthened responsive repairs programme.</p> <p>The 2008 climate change act commits the UK to reducing greenhouse gas emissions by 80% by 2050. Government</p>	<p>81% of Council owned homes are in areas of high deprivation (IMD 1-3) & in the majority are in the North & East of the Borough</p> <p>66% of Council owned homes are in areas of higher than the national average levels of fuel poverty</p> <p>68.8% is the average energy rating for homes currently</p>	<p>Council tenants can be broken down into the following age groups:</p> <p>20-29: 4%</p> <p>30-39: 14%</p> <p>40-49: 19%</p> <p>50-59: 25%</p> <p>60-69: 18%</p> <p>70-79: 11%</p> <p>80-89: 6%</p> <p>90-99: 1%</p>

	policy is for all homes to meet nearly net zero carbon levels by 2050	Nearly 80% of the 2050 stock has already been built therefore expensive retrofit zero carbon initiatives will be required	30-59 y/o tenants constitute 44% of Council tenants (more than any other two age groups combined)
Disability	<p>People will benefit from the overall investment in council housing of £31.5m in year one 2023-24. In addition our future (in particular the 2024-25 programme) will consist of a strengthened responsive repairs programme</p> <p>Eligible tenants will benefit from the provision of disabled adaptations (major and minor) to existing council housing</p>	<p>81% of Council owned homes are in areas of high deprivation (IMD 1-3) & in the majority are in the North & East of the Borough</p> <p>66% of Council owned homes are in areas of higher than the national average levels of fuel poverty</p> <p>68.8% is the average energy rating for homes currently</p> <p>Nearly 80% of the 2050 stock has already been built therefore expensive retrofit zero carbon initiatives will be required</p>	<p>14.1% of Croydon residents identified as having a disability in 2011.</p> <p>The Council does not collect disability data on Council tenants. Data collection on protected characteristics of Council tenants will be improved from May 2023 due to the implementation of the NEC Housing system.</p>
Sex	<p>People will benefit from the overall investment in council housing of £31.5m in year one 2023-24. In addition our future (in particular the 2024-25 programme) will consist of a strengthened responsive repairs programme.</p> <p>The positive impact listed below will impact more residents identifying as female than those identifying as male.</p>	<p>81% of Council owned homes are in areas of high deprivation (IMD 1-3) & in the majority are in the North & East of the Borough</p> <p>66% of Council owned homes are in areas of higher than the national average levels of fuel poverty</p> <p>68.8% is the average energy rating for homes currently</p> <p>Nearly 80% of the 2050 stock has already been built therefore expensive retrofit zero carbon initiatives will be required</p>	<p>The gender of Council tenants is as follows:</p> <p>Female: 67% Male: 33%</p>
Gender identity	People will benefit from the overall investment in council housing.		The Council does not collect data on the gender identity of Council tenants. Data

		<p>81% of Council owned homes are in areas of high deprivation (IMD 1-3) & in the majority are in the North & East of the Borough</p> <p>66% of Council owned homes are in areas of higher than the national average levels of fuel poverty</p> <p>68.8% is the average energy rating for homes currently</p> <p>Nearly 80% of the 2050 stock has already been built therefore expensive retrofit zero carbon initiatives will be required</p>	<p>collection on protected characteristics of Council tenants will be improved from May 2023 due to the implementation of the NEC Housing system.</p>
Marriage or Civil Partnership	<p>People will benefit from the overall investment in council housing.</p> <p>There is not expected to be any particular negative impact on this specific group</p>	<p>81% of Council owned homes are in areas of high deprivation (IMD 1-3) & in the majority are in the North & East of the Borough</p> <p>66% of Council owned homes are in areas of higher than the national average levels of fuel poverty</p> <p>68.8% is the average energy rating for homes currently</p> <p>Nearly 80% of the 2050 stock has already been built therefore expensive retrofit zero carbon initiatives will be required</p>	<p>The Council does not collect data on the marriage or civil partnership status of tenants. Data collection on protected characteristics of Council tenants will be improved from May 2023 due to the implementation of the NEC Housing system.</p>
Religion or belief	<p>Developing and supporting staff to provide great customer service will ensure appropriate and sensitive services are delivered to the</p>	<p>81% of Council owned homes are in areas of high deprivation (IMD 1-3) & in</p>	<p>The Council does not collect data on the religion or belief of Council tenants. Data collection on protected characteristics of Council tenants will be improved from</p>

	<p>religious or belief requirements of tenants.</p> <p>People will benefit from the overall investment in council housing of £31.5m in year one 2023-24. In addition our future (in particular the 2024-25 programme) will consist of a strengthened responsive repairs programme.</p>	<p>the majority are in the North & East of the Borough</p> <p>66% of Council owned homes are in areas of higher than the national average levels of fuel poverty</p> <p>68.8% is the average energy rating for homes currently</p> <p>Nearly 80% of the 2050 stock has already been built therefore expensive retrofit zero carbon initiatives will be required</p>	<p>May 2023 due to the implementation of the NEC Housing system.</p>
Race	<p>People will benefit from the overall investment in council housing of £31.5m in year one 2023-24. In addition our future (in particular the 2024-25 programme) will consist of a strengthened responsive repairs programme.</p>	<p>The negative impacts listed below will impact more residents identifying as Black or White than those identifying as other ethnic groups.</p> <p>81% of Council owned homes are in areas of high deprivation (IMD 1-3) & in the majority are in the North & East of the Borough</p> <p>66% of Council owned homes are in areas of higher than the national average levels of fuel poverty</p> <p>68.8% is the average energy rating for homes currently</p> <p>Nearly 80% of the 2050 stock has already been built therefore expensive retrofit zero carbon initiatives will be required</p>	<p>Council tenants can be broken down into the following ethnicity groups:</p> <p>Asian: 9% Black: 37% White: 47% Mixed: 4% Other: 3%</p>
Sexual Orientation	<p>People will benefit from the overall investment in council housing of £31.5m in year one 2023-24. In addition our future (in particular the 2024-25 programme) will consist of a</p>	<p>81% of Council owned homes are in areas of high deprivation (IMD 1-3) & in the majority are in the North & East of the Borough</p>	<p>The Council does not collect data on the sexual orientation of tenants.</p> <p>Data collection on protected characteristics of Council tenants will be improved from May 2023 due to the</p>

	<p>strengthened responsive repairs programme.</p> <p>Croydon's HRA owns 8.7% of all homes in the borough</p> <p>99.68% of stock pass the existing decent homes standard</p> <p>The 2008 climate change act commits the UK to reducing greenhouse gas emissions by 80% by 2050. Government policy is for all homes to meet nearly net zero carbon levels by 2050</p>	<p>66% of Council owned homes are in areas of higher than the national average levels of fuel poverty</p> <p>68.8% is the average energy rating for homes currently</p> <p>Nearly 80% of the 2050 stock has already been built therefore expensive retrofit zero carbon initiatives will be required</p>	<p>implementation of the NEC Housing system.</p>
Pregnancy or Maternity	<p>People will benefit from the overall investment in council housing of £31.5m in year one 2023-24. In addition our future (in particular the 2024-25 programme) will consist of a strengthened responsive repairs programme.</p> <p>Croydon's HRA owns 8.7% of all homes in the borough</p> <p>99.68% of stock pass the existing decent homes standard</p> <p>The 2008 climate change act commits the UK to reducing greenhouse gas emissions by 80% by 2050. Government policy is for all homes to meet nearly net zero carbon levels by 2050</p>	<p>81% of Council owned homes are in areas of high deprivation (IMD 1-3) & in the majority are in the North & East of the Borough</p> <p>66% of Council owned homes are in areas of higher than the national average levels of fuel poverty</p> <p>68.8% is the average energy rating for homes currently</p> <p>Nearly 80% of the 2050 stock has already been built therefore expensive retrofit zero carbon initiatives will be required</p>	<p>The Council does not collect data on the pregnancy or maternity status of tenants.</p> <p>Data collection on protected characteristics of Council tenants will be improved from May 2023 due to the implementation of the NEC Housing system</p>

Important note: You must act to eliminate any potential negative impact which, if it occurred would breach the Equality Act 2010. In some situations this could mean abandoning your proposed change as you may not be able to take action to mitigate all negative impacts.

When you act to reduce any negative impact or maximise any positive impact, you must ensure that this does not create a negative impact on service users and/or staff belonging to groups that share protected characteristics. **Please use table 4 to record actions that will be taken to remove or minimise any potential negative impact**

3.2 Additional information needed to determine impact of proposed change

Table 2 – Additional information needed to determine impact of proposed change

If you need to undertake further research and data gathering to help determine the likely impact of the proposed change, outline the information needed in this table. Please use the table below to describe any consultation with stakeholders and summarise how it has influenced the proposed change. Please attach evidence or provide link to appropriate data or reports:

Additional information needed and or Consultation Findings	Information source	Date for completion

For guidance and support with consultation and engagement visit <https://intranet.croydon.gov.uk/working-croydon/communications/consultation-and-engagement/starting-engagement-or-consultation>

3.3 Impact scores

Example

If we are going to reduce parking provision in a particular location, officers will need to assess the equality impact as follows;

1. Determine the Likelihood of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the likelihood of impact score is 2 (likely to impact)
2. Determine the Severity of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the Severity of impact score is also 2 (likely to impact)
3. Calculate the equality impact score using table 4 below and the formula **Likelihood x Severity** and record it in table 5, for the purpose of this example - **Likelihood (2) x Severity (2) = 4**

Table 4 – Equality Impact Score

Severity of Impact	3	3	6	9
	2	2	4	6
	1	1	2	3
		1	2	3

	Likelihood of Impact
--	-----------------------------

Key

Risk Index	Risk Magnitude
6 – 9	High
3 – 5	Medium
1 – 3	Low

Table 3 – Impact scores

<p>Column 1</p> <p>PROTECTED GROUP</p>	<p>Column 2</p> <p>LIKELIHOOD OF IMPACT SCORE</p> <p>Use the key below to score the likelihood of the proposed change impacting each of the protected groups, by inserting either 1, 2, or 3 against each protected group.</p> <p>1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact</p>	<p>Column 3</p> <p>SEVERITY OF IMPACT SCORE</p> <p>Use the key below to score the severity of impact of the proposed change on each of the protected groups, by inserting either 1, 2, or 3 against each protected group.</p> <p>1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact</p>	<p>Column 4</p> <p>EQUALITY IMPACT SCORE</p> <p>Calculate the equality impact score for each protected group by multiplying scores in column 2 by scores in column 3. Enter the results below against each protected group.</p> <p>Equality impact score = likelihood of impact score x severity of impact score.</p>
Age	3	2	6
Disability	2	2	4
Gender	3	2	6
Gender reassignment	2	2	4
Marriage / Civil Partnership	2	2	4
Race	3	2	6
Religion or belief	2	2	4
Sexual Orientation	2	2	4
Pregnancy or Maternity	2	2	4

Equality Analysis

4. Statutory duties

4.1 Public Sector Duties

Tick the relevant box(es) to indicate whether the proposed change will adversely impact the Council's ability to meet any of the Public Sector Duties in the Equality Act 2010 set out below.

Advancing equality of opportunity between people who belong to protected groups

Eliminating unlawful discrimination, harassment and victimisation

Fostering good relations between people who belong to protected characteristic groups

Important note: If the proposed change adversely impacts the Council's ability to meet any of the Public Sector Duties set out above, mitigating actions must be outlined in the Action Plan in section 5 below.

5. Action Plan to mitigate negative impacts of proposed change

Important note: Describe what alternatives have been considered and/or what actions will be taken to remove or minimise any potential negative impact identified in Table 1. Attach evidence or provide link to appropriate data, reports, etc:

Table 4 – Action Plan to mitigate negative impacts

Complete this table to show any negative impacts identified for service users and/or staff from protected groups, and planned actions mitigate them.				
Protected characteristic	Negative impact	Mitigating action(s)	Action owner	Date for completion
Disability	<p>Disability 14.1% of the population in Croydon on the last census identified as having a disability</p> <p>Croydon's HRA owns 8.7% of all homes in the borough</p> <p>81% of Council owned homes are in areas of high deprivation (IMD 1-3) &</p>	<p>Negative impact on all tenants will be mitigated through the actions below:</p> <p>We will communicate with all tenants to explain any significant changes affecting them and what we are investing in.</p>	Interim Director of Tenancy Services, Housing Resident Engagement & Allocations	2023 – ongoing

	<p>in the majority are in the North & East of the Borough</p> <p>66% of Council owned homes are in areas of higher than the national average levels of fuel poverty</p> <p>68.8% is the average energy rating for homes currently</p> <p>Nearly 80% of the 2050 stock has already been built therefore expensive retrofit zero carbon initiatives will be required</p>	<p>We will focus on the properties most in need of investment</p> <p>We will increase engagement with engage tenants through existing groups and seek involvement of minority groups through these channels</p> <p>We will offer translation of communication into alternative languages.</p> <p>The Council will deliver capital expenditure programme that will grow year on year the basis of this programme is our existing stock conditions and ongoing and rolling survey programmes will inform the future spend</p>		
Race	<p>Those for whom English is not their first language are not made fully aware of changes.</p>	<p>We will offer translation of communication into alternative languages.</p> <p>We will communicate with all tenants to explain any significant changes affecting them and what we are investing in.</p>	<p>Interim Director of Tenancy Services, Housing Resident Engagement & Allocations</p>	<p>2023 – ongoing</p>

		<p>We will focus on the properties most in need of investment</p> <p>We will increase engagement with engage tenants through existing groups and seek involvement of minority groups through these channels</p> <p>The Council will deliver capital expenditure programme that will grow year on year the basis of this programme is our existing stock conditions and ongoing and rolling survey programmes will inform the future spend</p>		
Sex	<p>PEOPLE (LEAD RESIDENT)</p> <p>31.5% Male 68.5% Female Will be impacted</p> <p>Croydon's HRA owns 8.7% of all homes in the borough</p> <p>81% of Council owned homes are in areas of high deprivation (IMD 1-3) & in the majority are in the North & East of the Borough</p>	<p>The Council will consider barriers to accessing information likely to be faced by tenants identifying as female.</p> <p>We will communicate with all tenants to explain any significant changes affecting them and what we are investing in.</p> <p>We will focus on the properties most in need of investment</p>	Interim Director of Tenancy Services, Housing Resident Engagement & Allocations	2023 – ongoing

	<p>66% of Council owned homes are in areas of higher than the national average levels of fuel poverty</p> <p>68.8% is the average energy rating for homes currently</p> <p>Nearly 80% of the 2050 stock has already been built therefore expensive retrofit zero carbon initiatives will be required</p>	<p>We will increase engagement with engage tenants through existing groups and seek involvement of minority groups through these channels</p> <p>We will offer translation of communication into alternative languages.</p> <p>The Council will deliver capital expenditure programme that will grow year on year the basis of this programme is our existing stock conditions and ongoing and rolling survey programmes will inform the future spend</p>		
<p>Gender identity</p>	<p>Croydon’s HRA owns 8.7% of all homes in the borough</p> <p>81% of Council owned homes are in areas of high deprivation (IMD 1-3) & in the majority are in the North & East of the Borough</p> <p>66% of Council owned homes are in areas of higher than the national average levels of fuel poverty</p>	<p>We will communicate with all tenants to explain any significant changes affecting them and what we are investing in.</p> <p>We will focus on the properties most in need of investment</p> <p>We will increase engagement with engage tenants through existing groups and seek involvement of</p>	<p>Interim Director of Tenancy Services, Housing Resident Engagement & Allocations</p>	<p>2023 – ongoing</p>

	<p>68.8% is the average energy rating for homes currently</p> <p>Nearly 80% of the 2050 stock has already been built therefore expensive retrofit zero carbon initiatives will be required</p>	<p>minority groups through these channels</p> <p>We will offer translation of communication into alternative languages.</p> <p>The Council will deliver capital expenditure programme that will grow year on year the basis of this programme is our existing stock conditions and ongoing and rolling survey programmes will inform the future spend</p>		
Sexual orientation	<p>It was estimated that 2.6% identified themselves as gay.</p> <p>Croydon's HRA owns 8.7% of all homes in the borough</p> <p>81% of Council owned homes are in areas of high deprivation (IMD 1-3) & in the majority are in the North & East of the Borough</p> <p>66% of Council owned homes are in areas of higher than the national average levels of fuel poverty</p> <p>68.8% is the average energy rating for homes currently</p>	<p>We will communicate with all tenants to explain any significant changes affecting them and what we are investing in.</p> <p>We will focus on the properties most in need of investment</p> <p>We will increase engagement with engage tenants through existing groups and seek involvement of minority groups through these channels</p> <p>We will offer translation of communication into alternative languages.</p>	Interim Director of Tenancy Services, Housing Resident Engagement & Allocations	2023 – ongoing

	Nearly 80% of the 2050 stock has already been built therefore expensive retrofit zero carbon initiatives will be required	The Council will deliver capital expenditure programme that will grow year on year the basis of this programme is our existing stock conditions and ongoing and rolling survey programmes will inform the future spend		
Age	<p>Croydon's HRA owns 8.7% of all homes in the borough</p> <p>81% of Council owned homes are in areas of high deprivation (IMD 1-3) & in the majority are in the North & East of the Borough</p> <p>66% of Council owned homes are in areas of higher than the national average levels of fuel poverty</p> <p>68.8% is the average energy rating for homes currently</p> <p>Nearly 80% of the 2050 stock has already been built therefore expensive retrofit zero carbon initiatives will be required</p>	<p>We will communicate with all tenants to explain any significant changes affecting them and what we are investing in.</p> <p>We will focus on the properties most in need of investment</p> <p>We will increase engagement with engage tenants through existing groups and seek involvement of minority groups through these channels</p> <p>We will offer translation of communication into alternative languages.</p> <p>The Council will deliver capital expenditure programme that will grow year on year the basis of this programme is our existing stock conditions and ongoing and rolling</p>	Interim Director of Tenancy Services, Housing Resident Engagement & Allocations	2023 – ongoing

		survey programmes will inform the future spend		
Religion or belief	<p>Croydon's HRA owns 8.7% of all homes in the borough</p> <p>81% of Council owned homes are in areas of high deprivation (IMD 1-3) & in the majority are in the North & East of the Borough</p> <p>66% of Council owned homes are in areas of higher than the national average levels of fuel poverty</p> <p>68.8% is the average energy rating for homes currently</p> <p>Nearly 80% of the 2050 stock has already been built therefore expensive retrofit zero carbon initiatives will be required</p>	<p>We will communicate with all tenants to explain any significant changes affecting them and what we are investing in.</p> <p>We will focus on the properties most in need of investment</p> <p>We will increase engagement with engage tenants through existing groups and seek involvement of minority groups through these channels</p> <p>We will offer translation of communication into alternative languages.</p> <p>The Council will deliver capital expenditure programme that will grow year on year the basis of this programme is our existing stock conditions and ongoing and rolling survey programmes will inform the future spend</p>	Interim Director of Tenancy Services, Housing Resident Engagement & Allocations	2023 – ongoing

<p>Pregnancy or maternity</p>	<p>Croydon's HRA owns 8.7% of all homes in the borough</p> <p>81% of Council owned homes are in areas of high deprivation (IMD 1-3) & in the majority are in the North & East of the Borough</p> <p>66% of Council owned homes are in areas of higher than the national average levels of fuel poverty</p> <p>68.8% is the average energy rating for homes currently</p> <p>Nearly 80% of the 2050 stock has already been built therefore expensive retrofit zero carbon initiatives will be required</p>	<p>We will communicate with all tenants to explain any significant changes affecting them and what we are investing in.</p> <p>We will focus on the properties most in need of investment</p> <p>We will increase engagement with engage tenants through existing groups and seek involvement of minority groups through these channels</p> <p>We will offer translation of communication into alternative languages.</p> <p>The Council will deliver capital expenditure programme that will grow year on year the basis of this programme is our existing stock conditions and ongoing and rolling survey programmes will inform the future spend</p>	<p>Interim Director of Tenancy Services, Housing Resident Engagement & Allocations</p>	<p>2023 – ongoing</p>
<p>Marriage/civil partnership</p>	<p>Croydon's HRA owns 8.7% of all homes in the borough</p> <p>81% of Council owned homes are in areas of high deprivation (IMD 1-3) &</p>	<p>We will communicate with all tenants to explain any significant changes affecting them and what we are investing in.</p>	<p>Interim Director of Tenancy Services, Housing Resident</p>	<p>2023 – ongoing</p>

	<p>in the majority are in the North & East of the Borough</p> <p>66% of Council owned homes are in areas of higher than the national average levels of fuel poverty</p> <p>68.8% is the average energy rating for homes currently</p> <p>Nearly 80% of the 2050 stock has already been built therefore expensive retrofit zero carbon initiatives will be required</p>	<p>We will focus on the properties most in need of investment</p> <p>We will increase engagement with engage tenants through existing groups and seek involvement of minority groups through these channels</p> <p>We will offer translation of communication into alternative languages.</p> <p>The Council will deliver capital expenditure programme that will grow year on year the basis of this programme is our existing stock conditions and ongoing and rolling survey programmes will inform the future spend</p>	Engagement & Allocations	
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6. Decision on the proposed change

Based on the information outlined in this Equality Analysis enter X in column 3 (Conclusion) alongside the relevant statement to show your conclusion.		
Decision	Definition	Conclusion - Mark 'X' below
No major change	<p>Our analysis demonstrates that the policy is robust. The evidence shows no potential for discrimination and we have taken all opportunities to advance equality and foster good relations, subject to continuing monitoring and review.</p> <p>Croydon's HRA owns 8.7% of all homes in the borough. 99.68% of stock pass the existing decent homes standard</p>	X

	The mitigation identified in section 5 will be used to improve the HRA Business Plan and this will be reviewed on an annual basis .	
Adjust the proposed change	We will take steps to lessen the impact of the proposed change should it adversely impact the Council’s ability to meet any of the Public Sector Duties set out under section 4 above, remove barriers or better promote equality. We are going to take action to ensure these opportunities are realised. If you reach this conclusion, you must outline the actions you will take in Action Plan in section 5 of the Equality Analysis form	
Continue the proposed change	We will adopt or continue with the change, despite potential for adverse impact or opportunities to lessen the impact of discrimination, harassment or victimisation and better advance equality and foster good relations between groups through the change. However, we are not planning to implement them as we are satisfied that our project will not lead to unlawful discrimination and there are justifiable reasons to continue as planned. If you reach this conclusion, you should clearly set out the justifications for doing this and it must be in line with the duty to have due regard and how you reached this decision.	
Stop or amend the proposed change	Our change would have adverse effects on one or more protected groups that are not justified and cannot be mitigated. Our proposed change must be stopped or amended.	
Will this decision be considered at a scheduled meeting? e.g. Contracts and Commissioning Board (CCB) / Cabinet		Meeting title: Date:

7. Sign-Off

Officers that must approve this decision		
Equalities Lead	Name:	Date:

Equality Analysis

	Position:	
Director	Name:	Date:
	Position:	

DRAFT

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LONDON BOROUGH OF CROYDON

REPORT:	CABINET	
DATE OF DECISION	22 February 2023	
REPORT TITLE:	INFORMATION, ADVICE & GUIDANCE CONTRACT	
CORPORATE DIRECTOR:	Elaine Jackson, Interim Assistant Chief Executive	
LEAD OFFICER:	Gavin Handford Email: Gavin.handford@croydon.gov.uk Telephone: 020 8726 6000 (ext. 22605)	
LEAD MEMBER:	CLLR ANDREW STRANACK, CABINET MEMBER FOR COMMUNITIES & CULTURE	
KEY DECISION?	Yes Ref: 0323EM	REASON: Decision incurs expenditure, or makes savings, of more than £1,000,000 or such smaller sum which the decision-taker considers is significant having regard to the Council's budget for the service or function to which the decision relates]
CONTAINS EXEMPT INFORMATION?	No	Public
WARDS AFFECTED:	All	

1 SUMMARY OF REPORT

- 1.1 This report seeks approval to vary and extend an existing contract that is currently in place to provide information, advice & guidance to residents within Croydon for an additional period of up to 12 months from 1st April 2023 – 31st March 2024.
- 1.2 The contract was awarded to Citizens Advice Croydon at a value of £333,000 per annum, with an original term of 3 years from 1 April 2020 to 31 March 2023. This extension is at the reduced cost of £325,000 per annum, giving a new total aggregated contract value of £1,324,000.00.
- 1.3 The budget available is £325,000. This is 100% funded from Public Health grant.
- 1.4 The process set out in this report reflects the new relationship being developed between the Council and Voluntary, Community and Faith sector including a commitment to greater codesign of services in future.

2 RECOMMENDATIONS

For the reasons set out in the report, the Executive Mayor in Cabinet is recommended:

- 2.1 to approve an extension and variation to the existing information, advice & guidance contract awarded to Citizens Advice Croydon, as set out within this report in order to maintain continued provision whilst a full and compliant procurement exercise is completed. The proposed extension is for a maximum period of up to 12 months at a cost of £325,000.

3 REASONS FOR RECOMMENDATIONS

- 3.1 The recommendations will ensure that residents continue to have access to information, advice and guidance services, with a particular focus on income, debt and housing, which have a significant impact on mental health

4 BACKGROUND AND DETAILS

Current position

- 4.1 The Council commissioned Citizens Advice Croydon to provide an information, advice & guidance contract for residents in Croydon. The commissioning process was undertaken as part of the Community Fund.
- 4.2 A contract was awarded for a three-year period, running from 1 April 2020 to 31 March 2023, with a total contract value of £999,000.
- 4.3 The Community Fund contracts are ending as planned on 31 March 2023. Although these contracts are coming to an end, the Council has committed to commission key services and support voluntary, community and faith sector organisations to submit tenders. Performance against this contract is summarised below.
- 4.4 In October 2022, five organisations accredited to provide legal advice services in Croydon (Citizens Advice Croydon, Mind in Croydon, Croydon Age UK, Croydon Drop In and South West London Law Centres) wrote to the Mayor to promote a model of a more integrated, borough wide advice offer. This highlighted the importance of information and advice as a fundamental foundation of a *whole population* approach to:
- improving the health and wellbeing of Croydon's residents
 - tackling poverty and injustice
 - addressing inequalities
 - developing active citizenship
 - supporting stronger and safer communities
 - empowering individuals and creating resilience
- 4.5 In addition, it is recognised that there have been significant economic impacts since the existing contract began. In addition to the economic shock of the Covid pandemic, the global economy has seen significant shocks with a resulting increase in cost-of-living across all areas.
- 4.6 The five organisations have previously proposed an integrated model of delivery to ensure that people needing advice get to the right service quickly. They also highlighted an ambition to develop premises sharing options and shared volunteering, training or cost reduction opportunities.
- 4.7 There is, therefore, significant interest from the local sector to improve the information, advice and guidance.

4.8 Public health funding has been allocated for 2023/24 – 2025/26 to commission a new information, advice & guidance contract. This contract will have a particular focus on mental health and wellbeing outcomes, recognising the impact that debt, unemployment and homelessness has on individuals and households.

Current supplier performance

4.9 Citizens Advice Croydon have delivered an information, advice and guidance contract on behalf of the Council since 1 April 2020 under the current contract. There have been similar contracts in place for many years, confirming Citizens Advice Croydon as a very established provider.

4.10 Performance against the contract has been satisfactory across the contract. There were challenges in receiving performance reports in a timely manner, but this has improved. The performance data is attached in appendix A to this report.

4.11 In 2021/22, the provider reported the following:

- Helped around 5,000 residents across email, telephone and limited face to face services;
- Resolved 26,278 advice problems; and
- Delivered £7.3m in benefits to individuals (i.e. new/improved welfare benefit claims, grant aid, fuel vouchers and other financial gains)

4.12 In response to the Covid pandemic, and some ongoing maintenance issues, the office location in Portland Road was closed. Citizens Advice Croydon have expanded their telephony support and volunteer advisors can operate from any location (currently this is usually their homes).

4.13 The provider has reported a significant increase in demand over the period of the contract.

4.14 It is recognised that the KPIs within the existing contract need to be reviewed, and that they may not provide sufficient detail. It is also recognised that KPIs will need to change to reflect the public health outcomes required going forward.

Proposed commissioning process

4.15 The existing contract is due to end on 31 March 2023. Public Health funding was confirmed in December 2022. However, this does not provide sufficient time to undertake a market engagement exercise and competitive tender process.

4.16 Therefore a two-phase approach is proposed.

Phase one: interim information, advice & guidance service

4.17 It is proposed that a contract variation be made to enable an information, advice & guidance service to continue from 1 April.

4.18 The variation would include new/amended KPIs, with a focus on informing the public health logic model that will be the framework for measuring impact of the service. The proposed KPIs are attached as Appendix B and have been developed jointly between the Council and Citizen Advice Croydon.

4.19 The contract would be varied to run for up to 12 months from 1 April 2023 until 31 March 2024. However, the contract variation would also include a 'no fault' break clause exercisable by the Council with three months' notice.

Phase two: competitive tender process

- 4.20** Following the variation contract being confirmed, it is proposed that a market engagement exercise be undertaken to inform a competitive tender process for a new contract.
- 4.21** The market engagement would be undertaken, working with the five organisations accredited to provide legal advice services in Croydon (Citizens Advice Croydon, Mind in Croydon, Croydon Age UK, Croydon Drop In and South West London Law Centres). There will also be an invitation for other organisations to join this process.
- 4.22** This approach would align with the Mayor's Business Plan and also ensure that the information, advice & guidance service meets the needs of all residents, and is integrated in to wider services provided across the Council and Health, as well as other key partners in Croydon.
- 4.23** It is proposed that the market engagement process include:
- Focusing delivery against the public health funding requirements
 - Integration of information, advice & guidance services across Croydon, as well as integration with other services as appropriate
 - Consideration of the delivery channels: face to face, telephony and online
 - Consideration for colocation within community and service hubs
- 4.24** This list is not exhaustive and will be developed as part of the market engagement process.
- 4.25** Following the market engagement process, Officers will develop the tender documentation and service specification for a competitive tender process. This will be informed by the market engagement.
- 4.26** The estimated timetable for this phase two process is:

March-April	Market engagement sessions with <i>at least</i> 5 Info, advice and guidance organisations regarding future service
April-May	Develop service specification and tender documents
May	Draft report to Procurement Board
June	Procurement Board review report, agree commissioning strategy
June	Tender documents finalised
July	Tender opens
August-September	Tender closes
October	Review bids
October	Award contract
October	Issue break clause notification

October-December	Decommissioning / start up phases
January 2024	New service commences

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The following alternative options have been considered but are not recommended.
- 5.2 Do nothing: the Council could allow the existing contract to end and not commission another information, advice & guidance contract. This would likely have a significant impact on some of the most vulnerable residents in Croydon at a time when economic conditions and cost of living increases are
- 5.3 Vary the existing contract only, without a competitive tender process: this is not recommended. The value of the contract over a three-year period is significant and to ensure value for money a competitive tender is recommended.
- 5.4 No contract variation and proceed to a competitive tender process: This is not considered viable within the timeframes available. It would therefore be likely to lead to the cessation of the existing service, with no alternatives in place, prior to a new contract award.

6 CONSULTATION

- 6.1 Between November 2022 and January 2023 the Cabinet Member for Communities & Culture offered 121 meetings with a range of voluntary sector organisations. Similarly, the Mayor has met with a range of voluntary, community & faith sector organisations over recent months.
- 6.2 Public Health have undertaken an initial needs assessment. This recognised that demand for information, advice & guidance comes from a wide range of people. In thinking about the key areas of income poverty and housing, the following initial needs have been identified:

Income poverty	Housing
<ul style="list-style-type: none"> • 32,000 low-income households in Croydon, of these 87% coping • 17,000 households below the poverty line, of these 64% coping • 3,000 Households with a cash shortfall <ul style="list-style-type: none"> • 80% are lone parents; • 30% have a disability, • 10% in work 	<ul style="list-style-type: none"> • Domestic abuse • Rough sleepers • Disability – 11,345 households • Private rented – 11,826 households • 2,240 in temporary accommodation

<ul style="list-style-type: none"> • 77% at risk and 23% in crisis • Lone parents households – 8,830 • No recourse to public funds • Care leavers • Large families 	
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6.3 The needs assessment and logic model will be developed further from data collected in phase one and through the market engagement process.

7. CONTRIBUTION TO COUNCIL PRIORITIES

7.1 The proposals within the report meet a number of the priorities within the Mayor's Business Plan.

7.2 The Council balances its books, listens to residents and delivers sustainable services (strengthen collaboration and joint working with partner organisations and the voluntary, community and faith sector):

7.3 People can lead healthier and independent lives for longer (work closely with health services and the voluntary, community and faith sector to improve resident health and reduce health inequalities):

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

8.1.1 The proposals within this report are to be entirely funded by Public Health funding. There are no general fund revenue implications.

8.1.2 However, without these proposals it is likely that residents facing financial challenges, debt or homelessness may be more likely to present at the Council and require support. Therefore, although not a cashable saving, the proposals within this report are likely to support cost avoidance in the future.

8.1.3 Details of the Public Health funding is set out in the table below. The net effect of the decision from the report is nil.

		Medium Term Financial Strategy – 3-year forecast		
		2023/24 £'000	2024/25 £'000	2025/26
Revenue Available	Budget	325	0	0
Expenditure Income – Public Health Grant		(325)	0	0
Effect of decision from report		0	0	0

8.1.4 Comments approved by Lesley Shields, Head of Finance for Assistant Chief Executive and Resources, on behalf of the Director of Finance. (Date 06/02/2023).

8.2 LEGAL IMPLICATIONS

8.2.1 The Council may enter into contracts under the general power of competence (Localism Act 2011).

8.2.2 The Executive Mayor has the power to exercise executive functions pursuant to s9E of the Local Government Act 2000. The Mayor has not delegated the decision making authority relating to the recommendations in this report.

8.2.3 The Council is under a duty to comply with the Public Contracts Regulations 2015 (PCR) when entering into and amending regulated contracts. Modifications to contracts which are subject to the PCR must comply with one of the 'safe harbours' set out in Regulation 72 PCR. Appendix C summarises regulation 72 'safe harbours' and concludes that the proposed modification falls within Regulation 72(1) (e) in terms of not being a substantial modification.

8.2.4 The Council is also under a general Duty of Best Value to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (Section 3 of the Local Government Act 1999 (as amended by s137 of the Local Government & Public Involvement in Health Act 2007).

Approved by Kiri Bailey, Head of Commercial and Property Law, on behalf of the Director of Legal Services

8.3 PROCUREMENT IMPLICATIONS

8.3.1 The proposed two-phase approach is set out above in the report.

8.3.2 The following risks have been identified, along with ratings and mitigations.

Key Risk	Risk Rating	Mitigation
Risk of procurement challenge as contract is being extended beyond allowed term and is above PCR 2015 Threshold.	Low	<p>This extension is being used to engage the market and run a compliant open procurement process, meaning that other providers will have an opportunity to bid for the contract going forwards.</p> <p>If the procurement is completed before the end of the 12 month timetable, notice shall be served to the current provider and the new contract can begin.</p> <p>An analysis of Regulation 72 of the PCR 2015 is provided in Appendix C to this report, and shows the proposed changes fall within regulation 72(1)(e) PCR 2015.</p>
Failure to deliver a procurement process within the timeframe of the extension.	Low	<p>Procurement advice has been sought, and a full procurement timetable will be drawn up. This extension gives adequate time to complete this procurement exercise.</p>

8.3.3 Approved by: Contracts & Commissioning Board – Ref: PB-2223-000013-EV (10 February 2023)

8.4 EQUALITIES IMPLICATIONS

8.4.1 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.

8.4.2 Within the contract, both phase one and phase two, the supplier will be required to capture data against the protected characteristics within the Equality Act. This will provide vital data to understand the needs of different residents, as well as identify any variation in performance.

8.4.3 The current provider reported data that showed clients had the following demographics:

- 65% had long term ill health or disability
- 54% were from Black, Asian and minority communities
- 61% were women
- Approximately 43% of clients had income profiles of >£400 to £999 per calendar month
- Approximately 16% of clients had income profiles of >£400 to £599 per calendar month

8.4.4 The current providers provide a valuable service to residents of the borough in particular those in most need. This service is delivered to all communities and data is provided above in respect of some equality characteristics. However, it is essential that data is collected in respect of all protected characteristics by the suppliers in order to ensure that the suppliers are paying due regard to the Public Sector Equalities Duties. As part of the needs analysis and market engagement process, KPIs will be developed to support residents with higher needs.

8.4.5 There will be a competitive tendering process. A more informed EQIA which includes the additional equality characteristics will be produced at this time.

8.4.6 Suppliers should ensure that they meet the requirements of the Council's Equality Strategy and Croydon's Equality Strategy and the George Floyd Race Matters Pledge. Contractors are also requested to adopt Croydon's Equality and George Floyd Race Matters Pledges.

8.4.7 The Contract Management Framework is required to work within the framework of the Equality Strategy 2020- 2024. The deliverables in the Equalities Strategy should be incorporated into the Contract Management Framework and policy documents as detailed below:

“Outline how the proposed contract(s) will comply with the Public Sector Equality Duty outlined in Section 4 of the EQIA; and meet the outcomes of the Council's equality strategy, particularly:

- i. All Council contracts contribute towards delivering our equality objectives*
- ii. Council contractors are inclusive and supportive of vulnerable groups*
- iii. Ensure that every strategy, delivery plan, council contract and staff appraisal has an equality objective linked to it.*

8.4.8 Comments approved by Denise McCausland, Equality Programme Manager
07/02/2023

9. APPENDICES

- 9.1** A: Information, advice & guidance contract: 2022/23 performance
B: Proposed KPIs (contract variation)
C: PCR 2015 Compliance Analysis

10. BACKGROUND DOCUMENTS

- 10.1** None

Appendix A: Information, advice & guidance contract: 2022/23 performance

	Target	Q1	Q2	Q3	Q4	Total	RAG against target	Comments
KPI 1								
% of new clients, threatened with homelessness, where making a homelessness application has been prevented	40%	38%	32%	41%				On target
KPI 2								
% of new client cases seen where settled accommodation is secured - Individuals who have been supported to gain secure settled accommodation	5%	8%	17%	24%				On target
KPI 3								
% of clients whose income is raised (amount)	30%	48%	57%	45%				On target
KPI 4								
Number of clients receiving housing, welfare benefits and debt casework (casework as defined by the AQS)	1000	540	815	628		1,983		On target
KPI 5								
Number of clients seen per year - Total number of clients receiving advice broken down by enquiry area and access channel	6,500	1,356	1,338	1,295		3,989		Although the total clients seen has been below target, the cases have increased in complexity. As demonstrated in the issues table in the appendix, clients present with multiple issues.
KPI 6								
Number of community volunteers trained per year	20	3	1	7		11		There has been an improvement in the last quarter. The pandemic had a significant impact on volunteer

	Target	Q1	Q2	Q3	Q4	Total	RAG against target	Comments
								training. This will be retained as a KPI, with a key focus on increasing capacity.
KPI 7								
% of clients who felt the service was good or very good	75%	77%	77%					On target
KPI 8								
Number of clients assisted with (pro bono) legal advice - Total number of individuals receiving at least one session	1500	200	205	166		571		This particular indicator was in relation to the subcontracted service, which will not be included in the new contract
KPI 9								
Clients report that they would recommend the service to friends or family	95%	77%	78%	76%				It is accepted that the target for this indicator was set too high. The KPI and target has been reviewed.
KPI 10								
Clients report that they know where to find information & advice/feel better informed	90%	73%	77%	77%				It is accepted that the target for this indicator was set too high. The KPI and target has been reviewed.

Issues

	Issues	Clients
Benefits & tax credits	2,758	521
Benefits Universal Credit	776	244
Charitable Support & Food Ban..	260	183
Consumer goods & services	60	32
Debt	497	182
Education	23	13
Employment	283	106
Financial services & capability	110	65
GVA & Hate Crime	8	8
Health & community care	342	152
Housing	1,215	346
Immigration & asylum	136	63
Legal	217	140
Other	23	23
Relationships & family	119	64
Tax	51	33
Travel & transport	315	179
Utilities & communications	119	59
Grand Total	7,312	

Appendix B: Proposed KPIs (contract variation)

New number	Category	KPI	Current/ Amendment/ New	Notes
1	Services	Number of clients seen per year - Total number of clients receiving advice broken down by enquiry area and access channel	Currently collected under KPI-5	
2	Services	Number of clients receiving housing, welfare benefits and debt casework (casework as defined by the AQS)	Currently collected under KPI-4	
3	Services	Number of new clients, threatened with homelessness, where making a homeless application has been prevented	Amendment request to current KPI-1, which requests percentages instead of total numbers.	
4	Services	Number of new client cases seen where settled accommodation is secured - Individuals who have been supported to gain secure settled accommodation	Amendment request to current KPI-2, which requests percentages instead of total numbers.	
5	Services	Number of clients whose income is by 10% or more	Amendment request to current KPI-3 (“% of clients whose income	

New number	Category	KPI	Current/ Amendment/ New	Notes
			is raised (amount)”)	
6	Services	Breakdown of clients whose income is raised by category of source income is raised	New	Could a new KPI be added to report a breakdown of clients with income raised by income route? Examples of categories are new benefits, employment, paid training or others.
7	Services	Number of clients who had costs lowered by category of mechanism	New	
8	Signposting	No. of clients signposted to specialist support with signposting categories – e.g. rough sleeping, no recourse to public funds, mental health, social care, substance misuse, domestic abuse, safeguarding	New	

New number	Category	KPI	Current/ Amendment/ New	Notes
9	Health and wellbeing	Health and wellbeing status at initial enquiry	New	<p>We suggest WEMWBS 14-item is collected at the initial visit for casework clients. Please note that this questionnaire is copyrighted. Although it is free of charge for non-commercial use, use must be registered at https://warwick.ac.uk/fac/sci/med/research/platform/wemwbs/using</p> <p>A pdf copy of the tool can be found here: https://www.corc.uk.net/media/1537/wemwbs.pdf</p> <p>Reporting categories suggested as number of participants with the following score ranges:</p> <p>[] 14-42 points</p> <p>[] 43-59 points</p> <p>[] 60-70 points.</p> <p>Points are calculated by adding up the scores for each question.</p>
10	Health and wellbeing	Total number of participants with 3 or more points change in WEBWBS score (with a breakdown of demographics)	New	Could this KPI be collected on a quarterly basis on a random of minimum 100 casework clients to allow an understanding of the health and wellbeing impacts of the service?
11	Training	Number of volunteers recruited and trained	Currently collected under KPI-6	
12	Quality of service	Quality of Advice RAYG rating – accuracy and appropriateness of advice	New	<p>Yellow (66-72% of clients)</p> <p>Green (73% or higher)</p> <p>Comparable against network and family group</p>

New number	Category	KPI	Current/ Amendment/ New	Notes
13	Client satisfaction	Clients report that they would recommend the service to friends or family	Currently collected under KPI-9	
14	Client satisfaction	Clients report that they know where to find information & advice/feel better informed	Currently collected under KPI-10	

Demographic data will be collected in relation to:

- Age
- Sex
- Gender identity
- Ethnicity
- Disability status
- Sexual orientation
- Religion or belief
- Marriage or civil partnership
- Pregnancy and maternity

Data will also be collected in relation to:

- Locality
- Referral route into the service
- Referrals out of the service
- Evidence of partnership working

Appendix C: PCR 2015 Compliance Analysis

PCR 2015 Regulation 72 (Modification of Contracts During their Term) sets out the following safe harbours for modifications to contracts:

a) where the modifications, irrespective of their monetary value, have been provided for in the initial procurement documents in clear, precise and unequivocal review clauses,

(b) for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor—

(i) cannot be made for economic or technical reasons, and

(ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority,

provided that any increase in price does not exceed 50% of the value of the original contract;

(c) where all of the following conditions are fulfilled:—

(i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;

(ii) the modification does not alter the overall nature of the contract;

(iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement.

(d) where a new contractor replaces the one to which the contracting authority had initially awarded the contract

(e) where the modifications, irrespective of their value, are not substantial; or

(f) where the value of the modification is below both of the following values:—

(a) the relevant PCR threshold and

(b) 10% of the initial contract value for service and supply contracts and 15% of the initial contract value for works contracts,

The proposed extension is considered to be compliant with regulation 72 1(e):

“where the modifications, irrespective of their value, are not substantial within the meaning of paragraph (8);”

An analysis of whether this extension should be considered substantial in line with Paragraph 8 is shown in the table below:

“(8) A modification of a contract or a framework agreement during its term shall be considered substantial for the purposes of paragraph (1)(e) where one or more of the following conditions is met:—”

<p><i>(a)the modification renders the contract or the framework agreement materially different in character from the one initially concluded;</i></p>	<p>The contract does not alter in character.</p> <p>Therefore, it is not a substantial change in respect of this criteria.</p>
<p><i>(b)the modification introduces conditions which, had they been part of the initial procurement procedure, would have—</i></p> <p><i>(i)allowed for the admission of other candidates than those initially selected,</i> <i>(ii)allowed for the acceptance of a tender other than that originally accepted, or</i> <i>(iii)attracted additional participants in the procurement procedure;</i></p>	<p>The original tender was an open tender in line with PCR 2015.</p> <ul style="list-style-type: none"> - (i) due to this being a compliant open tender following a full evaluation process, the contract was awarded to the bidder who received the highest score. - (ii) This extension does not change the advertised scope of services the contract that was originally tendered for. - (iii) This contract was procured using an open tender in line with PCR 2015. The Term of the contract would have had minimal impact, if any, on whether a provider would have bid for the contract. <p>Therefore, it is not a substantial change in respect of this criteria.</p>
<p><i>(c)the modification changes the economic balance of the contract or the framework agreement in favour of the contractor in a manner which was not provided for in the initial contract or framework agreement;</i></p>	<p>The contract value for this extension has reduced and so the economic balance has not shifted in favour of the provider.</p> <p>Therefore, it is not a substantial change in respect of this criteria.</p>
<p><i>(d)the modification extends the scope of the contract or framework agreement considerably;</i></p>	<p>The extension is 33% of the original contract value, and the scope of the contract remains the same</p> <p>Therefore, it is not a substantial change in respect of this criteria.</p>
<p><i>(e)a new contractor replaces the one to which the contracting authority had initially awarded the contract in cases other than those provided for in paragraph (1)(d).</i></p>	<p>Not applicable</p>

LONDON BOROUGH OF CROYDON

REPORT:	Cabinet	
DATE OF DECISION	<i>22 February 2023</i>	
REPORT TITLE:	Street Lighting Policy	
CORPORATE DIRECTOR / DIRECTOR:	Nick Hibberd, Corporate Director - Sustainable Communities, Regeneration & Economic Recovery Steve Iles – Director Sustainable Communities	
LEAD OFFICER:	Lead Officer: John Algar - Street Lighting Manager	
LEAD MEMBER:	Councillor Roche – Cabinet Member for Streets and Environment	
KEY DECISION? [Insert Ref. Number if a Key Decision]	Yes	6422EM
CONTAINS EXEMPT INFORMATION?		No
WARDS AFFECTED:		All

1 SUMMARY OF REPORT

- 1.1 The Council's Street lighting infrastructure incorporates smart technology connected to a Central Management System (CMS) that can control light levels on the highway via a wireless (internet based) interface. The ability to vary light levels provides the Council with the opportunity to make significant savings in carbon emissions (CO₂), energy consumption (kW) and ongoing costs (£).
- 1.2 After several small-scale trials (from 2015 onwards), In January 2022 the Council introduced a borough wide variable light level trial as part of the 22/23 MTFS (22/23 PLA SAV 06). This report describes the trial completed by the Council and summarises both the environmental and financial benefits that will be realised through energy saving annually by adopting the trial as the standard light levels for the borough.
- 1.3 The report then introduces, for Mayor approval, a draft 'Street Lighting Policy' for application on all roads within the borough and makes recommendation on the opportunity for further carbon reduction, energy savings and financial savings if additional studies are completed.

2 RECOMMENDATIONS

- 2.1 The Executive Mayor in Cabinet is recommended to note the outcome of the pilot studies as set out in section 4.15 of this report.
- 2.2 The Executive Mayor in Cabinet is recommended to agree to the introduction of the draft 'Street Lighting Policy' as summarised in Section 3 and Appendix A of this report.
- 2.3 The Executive Mayor in Cabinet is asked to formalise the trial running since 06 January 2022 and adopt the pilot regime of 50% reduction in light levels in residential streets between 7pm – 5am and 50% reduction along main traffic routes from Midnight – 5am.
- 2.4 The Executive Mayor in Cabinet is finally asked to delegate to officers to undertake further pilot studies within the framework of the draft Street Lighting Policy, to reduce energy consumption and CO2 emissions from the street lighting infrastructure across the borough and report back to a future cabinet.

3 REASONS FOR RECOMMENDATIONS

- 3.1 The energy saving provided by application of the draft Street Lighting Policy equates to an energy saving of approximately 33% and a cost mitigation of £967k per annum when compared with the energy price that will be applied in 2023. This policy forms part of an MTFS proposal to explore variable lighting levels for streetlights which was agreed at Cabinet on 7 March 2022 (MTFS 22/23 (PLA SAV 06)).
- 3.2 The cause of the major electricity price rise is set out in more detail in paragraphs 4.7 and 4.8. These historic high market prices are likely to remain in future years as the impact of the conflict in Ukraine on energy markets is built in. The usual market volatility will be imposed on top of these new high prices (e.g., changing economic and weather conditions). This makes the management of consumption even more critical to minimising costs.
- 3.3 The flexibility provided by the CMS has not been fully explored it allows the Council to vary light levels in three pre-defined steps of 25%, 50% and 100% (i.e., switched off). Further small-scale pilot studies will allow the Council to better understand the opportunity for further savings.
- 3.4 The reduction of the lighting levels across the borough will bring environmental benefits due to the reduction of carbon emissions (CO2) of 631 tonne.
- 3.5 The recommendations support the Council's Carbon Neutral Action Plan to work towards carbon neutrality by 2030.

4 BACKGROUND AND DETAILS

The Street Lighting Service

- 4.1 In 2011, the Council entered public lighting PFI contract with M Group Services, Milestone (formally Skanska) for a contract term of twenty-five (25) years.
- 4.2 During the contract term the PFI Service Provider is responsible for the street lighting apparatus in the borough, this includes:

- An initial five (5) year investment programme (from 2011 to 2016) when approximately 98% of the existing street lighting was replaced with the latest lighting technology.
- Reactive and planned maintenance activities (in accordance with agreed performance standards).
- Apparatus replacement due to accident damage, life expiry, component failure, etc,
- Asset management including all risk associated with maintaining an accurate inventory and energy consumption record.
- Central Management System allows the Council to monitor and control its street lighting on a-point-by-point / on a street-by-street basis at any location on the highway network.

4.3 Under the terms of the PFI contract, the Council does, however, retain responsibility for the payment of energy consumed by the street lighting.

Energy Implications

4.4 The annual payment for energy consumed by street lighting was approximately £2m in financial year 2021 / 2022, when energy cost approximately, 17p per kWh compared with approximately 14p per kWh pre-2021.

4.5 In September 2022, the Council's energy provider confirmed that the cost per kWh will rise by approximately 45% to 32p in March 2023. The resultant energy payment for 2023/2024 will therefore be £2.92m if the draft Street Lighting Policy is not adopted.

4.6 The dominant cause of the major increase in electricity price is the conflict in Ukraine. The subsequent withdrawal of Russian gas from the European market caused gas prices to reach record levels. As 40% of UK electricity is generated using gas, this increase subsequently drove up electricity prices. This increase now looks set to be 'built-in' to market prices as the majority of European states have sought to cut future dependency on Russian gas supplies by seeking alternatives globally. Current wholesale gas prices have eased due to mild winter conditions across Europe.

4.7 The UK government introduced a cap on wholesale gas electricity prices for non-domestic customers. This is in place from 01/10/22 to 31/03/23. However, the council's energy broker has secured wholesale prices below this cap. The removal of this cap is therefore unlikely to affect the council's prices. However, as a precaution, inflation has been applied to estimate the 2023/24 costs above.

Technology Opportunity

4.8 The initial five (5) year investment programme, completed in 2016, replaced approximately twenty-three thousand five hundred (23,500) lighting columns (including lantern units) and updated the remainder (approximately, 500) with new lanterns. Each lantern installed as part of the investment programme incorporated smart technology connected to a Central Management System (CMS). A Central Management System (CMS) is a system which centrally manages and controls the lighting via a radio frequency signal from a central computer to each unit. A CMS allows greater flexibility

and the capability to control and manage the lighting more smartly. The key benefits of a CMS system are:

- Optimised lighting for each location
- Fewer “non-working” lights
- Reduced number of “day burners”
- Optimised maintenance
- Provides the ability for remote monitoring of outages to reduce the need for staff physically checking at night.
- Flexibility to change and override settings
- A key feature of the control provided by the CMS is the ability to vary light levels to reduce energy consumption (KW) and carbon emissions (CO₂)

4.9 Light Dimming or Adaptive Lighting is a useful tool for councils to further reduce their energy consumption and carbon emissions. The adaptive use of a CMS system does not form part of this report. However, the basic philosophy is that the light levels are related to the usage of the road and thus when usage changes significantly up or down, then the light levels can also be adjusted in accordance with the guidance within the standards.

4.10 The Council sent out a variant lighting level questionnaire in September 2022 to all other London Boroughs. For those who responded 17 out of the 32 London Boroughs have reduced their lighting levels in either residential roads or main traffic routes. Surrey County Council also implemented their variant lighting level policy in 2010 and further reduced their lighting levels by having part night lighting in remote areas since 2016.

Draft Street Lighting Policy

4.11 The Council has, since 2015, applied the technology opportunity provided by the CMS to complete several small (on individual streets) variable light level pilot studies and trials across the highway network, the latest being a borough wide trial implemented in January 2022 (see the ‘Street Lighting Trial’ details below).

4.12 The experience gained and information garnered from the pilot studies was used to develop a draft Street Lighting Policy that it considered could be applied across the entire borough. The policy developed by the Council considers all of the following:

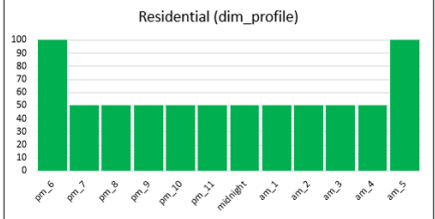
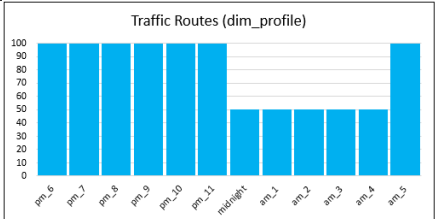
- Policy aims and objectives.
- Legal considerations applicable to the variation of light levels.
- The variable light level options available to the Council.
- The impact of the light level studies to date.
- Proposed a draft Street Lighting policy for application across the borough.

- Highlights the decision-making considerations applied by the Council; and
- Introduces a risk based 'exception criteria' framework where variable light levels may not be applied.

4.13 A copy of the proposed draft Street Lighting Policy has been included in Appendix A (draft Street Lighting Policy) of this report.

Variable Lighting Trial

4.14 A borough wide trial was implemented from January 2022, the variable light levels applied are described below.

Residential Areas	50% reduction in levels between 7pm to 5am.	
Traffic Route Areas	50% reduction in levels from midnight to 5am.	

4.15 The levels described above wholly align with the Councils draft Street Lighting Policy in Appendix A of this report.

4.16 During the trial the Council’s Street lighting team has been conducting various surveys and monitoring the impact, this exercise has included:

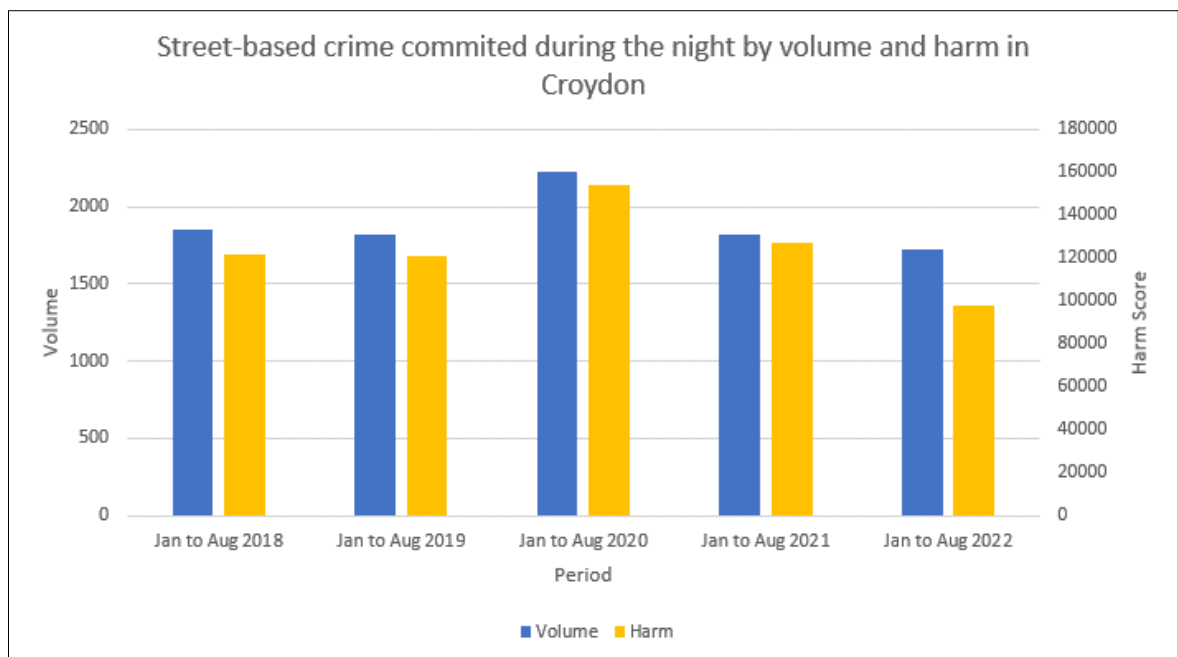
- Conducting night-time site visits with the previous administration during October 2020 to review the street scene in selected areas.
- Monitoring for feedback from road users and residents received by the Council’s Service Provider (note; all feedback is recorded in the Contract reports).

4.17 It is important to note that no enquiries or complaints specific to the change in light levels were received within the pilot study period timeframe or upon the subsequent months thereafter.

4.18 Crime statistics provided by the Council’s Culture and Community Safety Team show that during the variable light level trial there has been no direct increase in street crimes that take place during “night-time” hours.

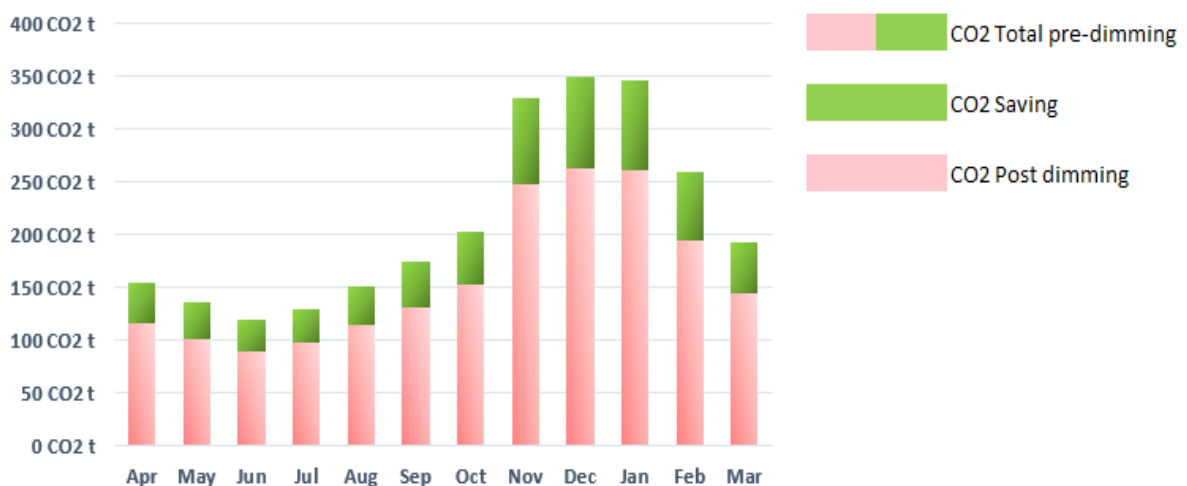
4.19 The chart below shows that in the latest available reporting period (Jan-Aug 2022), there has been the lowest volume and harm of street-based crime in the borough compared to the four periods before. The latest period shows a 5% decrease compared to the period and harm has gone down by almost a quarter (23%). By comparing the latest

period to the “pre-covid” period (Jan-Aug 2019), volume has gone down also by 5% and harm by almost a fifth (19%).



Variable Lighting Proposal

- 4.20 The Councils proposal is for light levels to be reduced across the entire borough by the levels detailed within the pilot studies – i.e., as per the ‘Variable Lighting Trial’ details above.
- 4.21 CO2 savings would be 631 tonne per annum if the recommended draft street lighting policy were introduced. The figure below shows the Carbon Emissions (CO2) Saving for a typical year.



- 4.22 The application of this proposal will allow the Council to make significant energy savings and mitigate the cost implications presented by the energy price increase of approximately 45% to 32p per kWh in March 2023. The table below provides a summary of the energy and cost implication of ‘do-nothing / no dimming’ versus application of the variable light levels proposed.

Scenario	Energy Consumption (MWh)	Carbon Emissions (CO2) tonne	Energy Cost
No dimming @17p per kWh (2021/22)	9,173	1,917	£1.56m
No dimming @34p per kWh (March 2023 onwards)	9,173	1,917	£2.92m
Variable Light Level Policy implementation.	6,151	1,286	£1.97m

4.23 The energy saving provided by application of the draft Street Lighting Policy as described in the table 4.22 equates to an energy saving of approximately 33% and a financial mitigation of £967k per annum when compared with the energy price that will be applied from March 2023.

5 ALTERNATIVE OPTIONS

5.1 The policy promoted within this paper is proposing that the light levels remain the same as the current pilot at 50% at specific times during the night. This approach effectively reduces light levels by one lighting class based on road use peak / off peak.

5.2 The CMS technology incorporated into the Council's Street lighting lanterns allows the Council to vary light levels in three pre-defined steps of 25%, 50% and 100% (i.e., switched off).

5.3 The Council would propose that the CMS capability is explored further by the application of additional variable light level pilot studies to appraise the options for further energy savings.

5.4 The Council also considered whether to reduce light levels from dusk till dawn, this raised a potential higher risk to road users during peak hours.

6 CONSULTATION

6.1 Croydon Council is currently asking residents, staff, businesses, and partners to give their views on its budget plans for 2023/24, in a public engagement exercise.

6.2 The council must make savings and has put forward a wide range of proposals, including changing and stopping some discretionary services, selling properties and land, and transformation plans to become more efficient.

6.3 The scale of the challenge facing Croydon was set out in the council's medium term financial strategy which was considered at November's Cabinet.

6.4 A budget engagement survey launched following the meeting is available online.

7 CONTRIBUTION TO COUNCIL PRIORITIES

- 7.1 This draft Street lighting Policy contributes towards Executive Mayor Perry's business plan.
- i) Deliver the savings in the Medium-Term Financial Strategy and increase the Council's income
 - ii) Embed climate adaptation and carbon reduction in the strategies and policies of the Council and its key partners
- 7.2 Climate Neutral Action Plan and reducing carbon emissions from street lighting within the borough.

8 IMPLICATIONS

Financial Implications

- 8.1 The proposal detailed within this report does not have any impact on Council expenditure budget, the proposal delivers efficiencies by reducing the Council's ongoing energy consumption for street lighting which has been showing an overspend in monitoring through 22/23. A recent virement from the Corporate Inflationary Contingency budget has now been made and this combined with the approval of the draft Street Lighting Policy will result in the budget being sufficient to cover the anticipated cost of energy in 23/24.
- 8.2 The revenue and capital consequences of adopting the draft Street Lighting Policy proposal put forward within this report is detailed below.
- 8.3 There is a risk that any additional increases in the cost of energy outside the control of the council could still result in budgetary pressures. Likewise, any reductions would result in the council receiving a monetary benefit as a result of any changes.
- 8.4 Should the proposal not be accepted then there is unlikely to be sufficient budget to cover the ongoing cost of energy and will result in budgetary pressures. This is anticipated to be circa £967k.

Revenue and Capital consequences of report recommendation

This revenue and capital consequences of the report recommendation has been summarised in the table below.

	Current Year	Medium Term Financial Strategy – 3 year forecast		
	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Revenue Budget Available	1963	1963	1963	1963
Expenditure Income	0	0	0	0
Effect of decision from report				
Expenditure Income	0	0	0	0
Remaining Budget	1963	1963	1963	1963
Capital Budget available				
Expenditure Income				
Effect of decision from report				
Expenditure Income				
Remaining Budget				

Approved by: Darrell Jones Acting Head of Finance SCRER Date: 3rd January 2023

9 LEGAL IMPLICATIONS

- 9.1 As the Highway Council the Council has a discretionary power under S.97 of the Highway Act 1980 to provide street lighting on roads for which it is responsible. However, in exercising its powers as to the extent, nature, maintenance, and operation of street lighting the Highway Council must act reasonably and in the interests of road safety.
- 9.2 Case law suggests that a highway authority would not be negligent for accidents arising from a failure to light a highway unless an accident arises because the Council has failed to take reasonable steps to prevent a hazard it has placed or caused to be placed in or around the highway (for example signs, bus shelters, lighting columns) from becoming a danger to the public. It can therefore be concluded that it is within the Council's discretionary powers to modify the lighting levels on its streets.
- 9.3 Where the Highway Council chooses to exercise its power to light a highway, BS EN 13201:2003 & BS EN 5489-1 (2020) can be used as guidance for lighting class, or hours

of operation. Consideration should be given to the implications of Section 17 of the Crime and Disorder Act 1998 (as amended by the Police and Justice Act 2006), which provides that the authority must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder, including antisocial behaviour, the misuse of drugs, alcohol and other substances, and re-offending in its area, and the potential impact of lower light levels on such activities.

Approved by: Sandra Herbert, Head of Litigation & Corporate Law, on behalf of the Director of Legal Services and Monitoring Officer. Date 6th January 2023.

10 EQUALITIES IMPLICATIONS

10.1 The introduction of a Street Lighting policy will reduce of light levels and therefore has the potential to give rise to having an impact on groups that share a protected characteristic. Mitigation has been identified which will address this issue, should there be representation from residents to this regard. This is detailed in the equality analysis which has therefore been completed at attached to this report in Appendix B (Equality Analysis).

Approved by: Denise McCausland Equality Programme Manager, Date 10.01.2023

11 OTHER IMPLICATIONS

Procurement

11.1 The proposal made within this report does not have any implication directly linked to procurement.

Human Resource

11.2 There are no immediate human resources implications in this proposal. If any should arise these will be managed under the Council's policies and procedures.

Approved by Jennifer Sankar, Head of HR Housing Directorate and SCRER Directorate for an on behalf of Dean Shoesmith, Chief People Officer. Dated 3 January 2023.

Crime and Disorder

11.3 The latest crime statistics show that during the variable light level trial (introduced in January 2022) there has been no direct increase in those street crimes that take place during "night-time" hours.

11.4 Further detail of the Crime and Disorder impact is set out at paragraph 4.19 above.

Approved by: Kristian Aspinall, Director of Culture and Community Safety 04.01.2023

Environmental Impact

11.5 The introduction of a Street Lighting policy will make significant savings in energy use and related carbon emissions. The estimated savings made are outlined below:

	Current year	Medium Term - 3 year forecast		
	2022/23	2023/24	2024/25	2025/26
Energy Saving (MWh)	3022	3022	3022	3022
CO2 Saving (tonne)	631	631	631	631

- 11.6** The savings shown will increase if alternative variable light level regimes are adopted.
- 11.7** Carbon emissions related to street lighting electricity consumption have been rapidly decreasing in recent years. This is due to the decarbonisation of the UK power generation (through large increases in offshore wind and solar generation). Croydon has set a target to be carbon neutral by 2023. Current UK government policy is that electricity supply will be zero carbon by 2050. Therefore, Croydon will need to secure additional zero carbon electricity through its contracts to achieve the 2030 target.
- 11.8** Croydon is currently working with other London boroughs to identify the best value options to secure 100% renewable electricity. This is through the 'Renewable Power for London' programme established by London Councils

Approved by Bob Fiddik, Team Leader- Sustainable Development and Energy Date 04.01.2023

Risk

- 11.9** The key risks identified by the Council when developing a Street Lighting policy have been summarised below.

Risk Identified	Mitigation Measures
Direct effect on night-time crime figures	Monitor night-time crime statistics – see section 8.13 & 14 above.
Complaints from road users and residents	Monitor complaints / comment received – see section 8.13 & 14 above.

Data Protection

- 11.10** The proposal made within this report does not have any implication directly linked to Data Protection.

NO

Approved by: Steve Iles Director of Sustainable Communities. Date 03/01/2023

12 APPENDICES

Appendix A (draft Street Lighting Policy)

Appendix B (Equality Analysis)

13 BACKGROUND DOCUMENTS

None

14 URGENCY

No

**CROYDON
COUNCIL**

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London Borough of Croydon

Street Lighting Policy

Prepared by: John Algar (Street Lighting Manager)

January 2023

Quality Management / Revision Updates

Version	Draft	V2	V3	V4	V5	V6
Date	June 2015	July 2016	October 2022	Nov 2022	January 2023	January 2023
Author	J.A.	J.A	J.A	J.A.	J.A	J.A
Checker	S.I.	S.I	S.I	S.I	S.I	S.I
Approver	S.I.	S.I	S.I	S.I	S.I	S.I

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Introduction

This document sets out the London Borough of Croydon's policy for energy and carbon emission savings by the introduction of reduced street lighting light levels during off-peak / low use periods.

Background Information

Since completion of a 5-year investment programme completed in 2016 all streetlights - approximately 23,500 – within the Borough are connected to a centrally managed control system, known as the Central Management System (CMS). The introduction of the CMS provides the authority with the ability to remotely monitor operation, switch and control the lighting.

The control function provided by the CMS allows the Authority to vary light levels on the highway network dependent on the level of night-time use, and any reduction in light levels results in reduced energy consumption, carbon emissions and the ongoing associated annual costs.

Since CMS completion in 2016 the Council has completed several variable light level trials within the borough. The studies and trials have included site investigations attended by Council Officers, elected Members and other key partners, The trial information garnered during the studies and trials – which included night-time crime and partner feedback - has allowed the Council to develop the policy introduced within this document.

Policy Aims and Objectives

The key aims and objectives of this policy for the Authority are outlined below:

- Maintain lighting throughout the hours of darkness for all road users within the Borough.
- Minimise the environmental effects of the street lighting by reduced energy consumption and carbon emissions.
- Recognise that lighting can contribute towards crime reduction and a reduced fear of crime.
- Promote sustainable transport (public transport, cycling and walking).
- Provide safe night-time access to educational and leisure facilities.
- Consider night - time road traffic collision trends and data.
- Realise monetary savings by reduction of the energy consumed by street lighting.

Legal Considerations

Highway Act 1980

As the Highway Authority the Authority has a discretionary power under S.97 of the Highway Act 1980 to provide street lighting on roads for which it is responsible. However, in exercising its powers as to the extent, nature, maintenance, and operation of street lighting the Highway Authority must act reasonably and in the interests of road safety.

Crime and Disorder Act 1998

Consideration has been given to the implications of Section 17 of the Crime and Disorder Act 1998 (as amended by Police and Justice Act 2006) and the potential impact on lower light levels on crime and disorder. Consultation specific to the variable light level trials and studies with the appropriate Council department has indicated that it will have no impact.

Equalities Act 2010

Consideration has been given to the Council's equalities duties under the Equalities Act 2010 and consultation has been had with vulnerable groups that may be affected by this decision. This Equality Analysis was completed and reviewed in January 2021.

Case Law

Case law suggests that a Highway Authority would not be negligent for accidents arising from a failure to light a highway unless an accident arises because the Council has failed to take reasonable steps to prevent a hazard it has placed or caused to be placed in or around the highway (for example signs, bus shelters, lighting columns) from becoming a danger to the public. It can therefore be concluded that it is within the Council's discretionary powers to modify the lighting levels on its streets.

Lighting Design Standards

Where the Highway Authority chooses to exercise its power to light a highway, UK relevant standard BS EN 13201:2003 can be used as guidance for lighting class, or hours of operation.

Policy Development and Future Improvements

The policy document has been developed by the Council and its nominated document owner in close consultation with the Council Officers, Members and other key partners, the Council will continue to develop the document in a manner that supports its ongoing commitment to setting standards, making decisions, minimise the environmental impacts and reporting performance.

Commitment to Business Improvement & Future Improvements

The Council recognise that it is important for the service levels applied to street lighting to be aligned with the best and current UK practice(s). For this reason, the Council's has street lighting management team has formed a variable light level working group that will meet formally to investigate policy development and future improvements. The working group will consider the following:

- Crime information and partner feedback from the existing variable light level policy.
- Other variable light level switching regimes including turning lights off.
- Adjustment of switch on / off times (trimming) light levels.
- Future variable light level pilot studies and trials.
- Other UK local government organisation pilot studies and trials policy (especially other similar London boroughs).

The working group will work closely with Council Members and other key partners so experience and new ideas can be shared and considered when developing future policy.

Annual Review and Update

The policy will be routinely reviewed and updated annually by the Council's nominated owner - for details see the version control section at front of the policy.

The document review and update will consider recommendation(s) made by the Council's Street lighting team and annual quality audits.

Variable Light Levels / Street Lighting Standards

Originally Designed Light Levels

The Councils existing street lighting was designed and installed to provide light levels compliant with the requirements of the relevant UK standards / guidance provided in UK relevant standard BS EN 13201:2003. The light levels provided by reference to the BS EN are provided at the same levels (i.e., highest determined traffic flow / road use) throughout the hours of darkness.

Street Lighting installations shall be the minimum standard for each class of road and designed in accordance with the recommendations contained in the prevailing version of BS:5489 and BS EN 13201-2 as detailed in Street Lighting Design Guide.

In the interest of economy during the whole life of a street lighting installation designers shall be permitted to manage reasonable relaxations or departures from the recommendations contained in the prevailing version of BS 5489.

Street lighting associated electrical installations shall comply with the prevailing version of BS 7671, The Requirements for Electrical Installations.

Variable Light Levels

The operating hours for street lighting, consideration is given to.

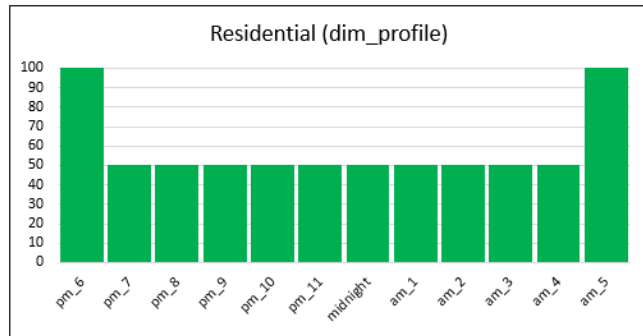
- All night lighting (dusk till dawn)
- Part night lighting - limiting night-time lighting to times
- Dusk and dawn - Trimming - reducing the operating hours of a streetlight
- Dimming – adjusting light levels (up or down)

The CMS adjusts clocks between British Summertime and Greenwich Mean Time in the spring and autumn. The CMS has sensors that monitor the number of daylight hours, which is how they set their internal clock. This is then used to adjust for the change to British Summertime or Greenwich Mean Time.

The CMS allows the Council to vary light levels on the highway network, the Council has used this capability to vary light level when traffic flow / road use is lower during off peak hours. The variable light level option determined for both the residential roads and main / strategic roads across the borough is as detailed below of which the burning hours will be as follows:

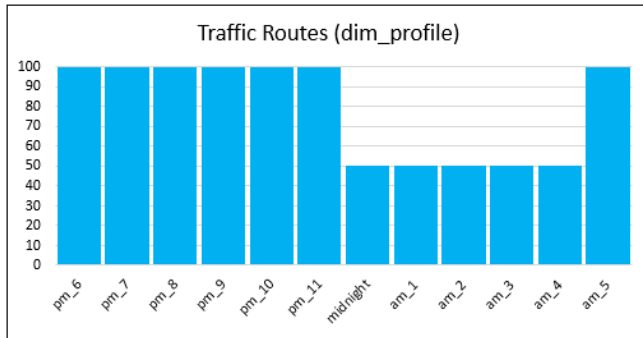
RESIDENTIAL

50% between 1900hrs and 0500hrs



MAIN / STRATEGIC ROADS

50% from midnight to switch-off (sunrise)



Note: the CMS allows the Council to vary light levels in three pre-defined steps below 100% - these are 75%, 50% and 0% (i.e., lights switched off). It should be noted that the lamp technology will not allow dimming below 50%. i.e., the next step below 50% is switch off (0% i.e., lights switched off).

The introduction of this policy will be applied to the entire highway network, subject to the exceptions criteria detailed in the Exception Criteria section below.

Highway Network Types

The reduced light level regimes applied to the highway network provided during off peak hours the hours of darkness use the relevant standard within BS5489-1, Road Lighting as a benchmark / set point. The network types are listed below.

Area	Highway Network Type
Residential	<ul style="list-style-type: none"> Cul-de-sac's Cycle-tracks Local footpaths Rear Access/Back Street's Residential Access / Through Roads

Main / Strategic	Link Roads Main distributors Secondary Distributors Strategic routes Mixed vehicular and pedestrian (town centres) Pedestrian only (town centres)
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Other Considerations

The CMS allows the Council to vary switch on / switch off times linked to ambient light levels; the Council has applied this capability to adjust the on / off times based on slightly different light levels.

Exception Criteria

The Council will consider a variable light level regime exception with justification being based on the following criteria:

- Lights at major junctions/ roundabouts.
- In town centres where there is CCTV, high security businesses such as banks, and/or lots of people at night, for example near night clubs and train stations – in this situation light levels will not be varied before 0300hrs.
- Areas where streetlights are needed to reduce road accidents.
- Areas where there could be an increase in crime through reduced lighting, like pubs, clubs, and specific night-time use in residential areas.
- Remote alleys linking residential streets.
- Near traffic islands, pedestrian crossings, footbridges, subways or where the Council considers it has a specific duty of care.
- In public car parks adjacent to high night-time use amenity areas such as pubs, clubs, cinemas, or theatres.
- At bus stations and all-night stops.
- Adjacent to tram lines.
- At level crossings, speed humps, traffic lights.

The CMS provides functionality that will allow changes to be made to the variable light level regime instantaneously from a desk top application.

Equality Analysis Form

1. Introduction

1.1 Purpose of Equality Analysis

The council has an important role in creating a fair society through the services we provide, the people we employ and the money we spend. Equality is integral to everything the council does. We are committed to making Croydon a stronger, fairer borough where no community or individual is held back.

Undertaking an Equality Analysis helps to determine whether a proposed change will have a positive, negative, or no impact on groups that share a protected characteristic. Conclusions drawn from Equality Analyses helps us to better understand the needs of all our communities, enable us to target services and budgets more effectively and also helps us to comply with the Equality Act 2010.

An equality analysis must be completed as early as possible during the planning stages of any proposed change to ensure information gained from the process is incorporated in any decisions made.

In practice, the term '**proposed change**' broadly covers the following:-

- Policies, strategies and plans;
- Projects and programmes;
- Commissioning (including re-commissioning and de-commissioning);
- Service review;
- Budget allocation/analysis;
- Staff restructures (including outsourcing);
- Business transformation programmes;
- Organisational change programmes;
- Processes (for example thresholds, eligibility, entitlements, and access criteria).

2. Proposed change

Directorate	Sustainable Communities, Regeneration & Economic Recovery, Street Lighting
Title of proposed change	Street Lighting Policy
Name of Officer carrying out Equality Analysis	John Algar

2.1 Purpose of proposed change (see 1.1 above for examples of proposed changes)

Policy seeks to reduce operating costs and energy usage with reduction in Carbon Emissions, whilst maintaining safety on the highway.

The Authority have the capability in reducing our lighting levels via the Central Management System built into our street lighting assets. Looking to reduce lighting levels in both residential roads and strategic road network (main roads).

Seeking to reduce lighting levels with a choice of 4 different dimming options as follows:

Residential Roads

Dim 1 = 50% between 19.00 - 05.00hrs

Dim 2 = 50% from switch on – switch off (all night)

Dim 3 = 50% from switch on – Midnight. Lights turned off rest of night.

Dim 4 = 50% from switch on – Midnight. Lights turned off Midnight – 05.00hrs, 50% 05.00 hrs – switch off.

Main Roads

Dim 1 = 50% between Midnight - 05.00hrs

Dim 2 = 50% from switch on – switch off (all night)

Dim 3 = 50% from switch on – Midnight. Lights turned off rest of night.

Dim 4 = 50% from switch on – Midnight. Lights turned off Midnight – 05.00hrs, 50% 05.00 hrs – switch off.

3. Impact of the proposed change

3.1 Deciding whether the potential impact is positive or negative

Table 1 – Positive/Negative impact

For each protected characteristic group show whether the impact of the proposed change on service users and/or staff is positive or negative by briefly outlining the nature of the impact in the appropriate column. . If it is decided that analysis is not relevant to some groups, this should be recorded and explained. In all circumstances you should list the source of the evidence used to make this judgement where possible.			
Protected characteristic group(s)	Positive impact	Negative impact	Source of evidence
Age	Testing of Variant Lighting Levels in 2015-16 in selected residential roads across the borough for a 3 month period saw no enquiries or complaints regarding any reduction in lighting levels. Further trial carried out from January 2022 – October 2022 with no complaints received.	The lowering of lighting levels may deter older people from going out in their vehicle or going for walks at night. Possibly more vulnerable groups could feel less safe e.g older people	Variant Lighting Level trial carried out in 2015-16 & 2022
Disability	Testing of Variant Lighting Levels in 2015-16 in selected residential roads across the borough for a 3 month period saw no enquiries or complaints regarding any reduction in lighting levels. Further trial carried out from January 2022 – October 2022 with no complaints received	Possibly more vulnerable groups could feel less safe e.g. visually impaired or those with a physical disability	Variant Lighting Level trial carried out in 2015-16 & 2022
Gender	n/a	Possibly more vulnerable groups could feel less safe e.g. women	Not related
Gender Reassignment	n/a	Possibly more vulnerable groups could feel less safe e.g. those from the LGBT community	Not related
Marriage or Civil Partnership	n/a	n/a	Not related
Religion or belief	n/a	n/a	Not related
Race	n/a	n/a	Not related
Sexual Orientation	n/a		Not related
Pregnancy or Maternity	n/a	Possibly more vulnerable groups could feel less safe e.g. women	Not related

3.2 Additional information needed to determine impact of proposed change

Table 2 – Additional information needed to determine impact of proposed change

If you need to undertake further research and data gathering to help determine the likely impact of the proposed change, outline the information needed in this table. Please use the table below to describe any consultation with stakeholders and summarise how it has influenced the proposed change. Please attach evidence or provide link to appropriate data or reports:		
Additional information needed and or Consultation Findings	Information source	Date for completion

For guidance and support with consultation and engagement visit <https://intranet.croydon.gov.uk/working-croydon/communications/consultation-and-engagement/starting-engagement-or-consultation>

3.3 Impact scores

Example

If we are going to reduce parking provision in a particular location, officers will need to assess the equality impact as follows;

1. Determine the Likelihood of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the likelihood of impact score is 2 (likely to impact)
2. Determine the Severity of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the Severity of impact score is also 2 (likely to impact)
3. Calculate the equality impact score using table 4 below and the formula **Likelihood x Severity** and record it in table 5, for the purpose of this example - **Likelihood (2) x Severity (2) = 4**

Table 4 – Equality Impact Score

Severity of Impact	3	3	6	9
	2	2	4	6
	1	1	2	3
		1	2	3
	Likelihood of Impact			

Key

Risk Index	Risk Magnitude
6 – 9	High
3 – 5	Medium
1 – 3	Low

Table 3 – Impact scores

Column 1 PROTECTED GROUP	Column 2 LIKELIHOOD OF IMPACT SCORE Use the key below to score the likelihood of the proposed change impacting each of the protected groups, by inserting either 1, 2, or 3 against each protected group. 1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact	Column 3 SEVERITY OF IMPACT SCORE Use the key below to score the severity of impact of the proposed change on each of the protected groups, by inserting either 1, 2, or 3 against each protected group. 1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact	Column 4 EQUALITY IMPACT SCORE Calculate the equality impact score for each protected group by multiplying scores in column 2 by scores in column 3. Enter the results below against each protected group. Equality impact score = likelihood of impact score x severity of impact score.
Age	2	1	2
Disability	2	1	2
Sex	2	1	2
Gender reassignment	2	1	2
Marriage / Civil Partnership	1	1	1
Race	1	1	1
Religion or belief	1	1	1
Sexual Orientation	1	1	1
Pregnancy or Maternity	2	1	2

4. Statutory duties

4.1 Public Sector Duties

Tick the relevant box(es) to indicate whether the proposed change will adversely impact the Council's ability to meet any of the Public Sector Duties in the Equality Act 2010 set out below.

- Advancing equality of opportunity between people who belong to protected groups x
- Eliminating unlawful discrimination, harassment and victimisation x
- Fostering good relations between people who belong to protected characteristic groups

5. Action Plan to mitigate negative impacts of proposed change

Important note:

Table 4 – Action Plan to mitigate negative impacts

Complete this table to show any negative impacts identified for service users and/or staff from protected groups, and planned actions mitigate them.				
Protected characteristic	Negative impact	Mitigating action(s)	Action owner	Date for completion
Disability	Possibly more vulnerable groups could feel less safe, i.e elderly or partially blind people.	Lighting levels can be instantly reverted back to 100% functionality	John Algar	Upon any complaint or enquiry received?
Race	Not affected	n/a	n/a	n/a
Sex (gender)	Not affected	Lighting levels can be instantly reverted back to 100% functionality	John Algar	As Above
Gender reassignment	Not affected	As above	As above	As above
Sexual orientation	Not affected	Lighting levels can be instantly reverted back to 100% functionality	As above	As above

Equality Analysis

Age	The lowering of lighting levels may deter older people from going out in their vehicle or going for walks at night. Possibly more vulnerable groups could feel less safe	As above	John Algar	Upon any complaint or enquiry received?
Religion or belief	Not affected	n/a	n/a	n/a
Pregnancy or maternity	Not affected	As above	As above	As above
Marriage/civil partnership	Not affected	n/a	n/a	n/a

6. Decision on the proposed change

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Based on the information outlined in this Equality Analysis enter X in column 3 (Conclusion) alongside the relevant statement to show your conclusion.		
Decision	Definition	Conclusion - Mark 'X' below
No major change	Our analysis demonstrates that the policy is robust. The evidence shows no potential for discrimination and we have taken all opportunities to advance equality and foster good relations, subject to continuing monitoring and review.	

Equality Analysis

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Adjust the proposed change	<p>We will take steps to lessen the impact of the proposed change should it adversely impact the Council’s ability to meet any of the Public Sector Duties set out under section 4 above, remove barriers or better promote equality. We are going to take action to ensure these opportunities are realised.</p> <p>Having carried out a “dimming” trial in 2015-16 we reduced our lighting levels in random pre-selected streets and a further reduction across the whole borough in 2022. The result of these trials were that no issues were raised by any stakeholders. The reduction of the lighting levels were carried out during times where the fear and risk of crime is greatly reduced i.e after 7.00pm in residential streets and pre-selected times i.e after / before rush hour periods.</p> <p>District Town Centres, areas with CCTV Camera control and our Strategic Road Network will not have lighting levels reduced until after Midnight.</p> <p>The authority have the capability of reducing its lighting levels via the Central Management System but also gives us the capability of returning the lighting levels to 100% capacity at an instant rectification process. Each street lighting column has its own Node to control the lighting levels in each road.</p> <p>As part of the Client Monitoring teams duty is to review the Service Providers performance via a Monthly Monitoring Report. Having reviewed this report there have been no complaints in relation to a similar variant lighting level policy introduced by Lewisham in 2016(joint PFI Contract). To date there have been no complaints about the reduction in lighting levels with only a few enquiries upon why this has been carried out.</p>	X
Continue the proposed change	<p>We will adopt or continue with the change, despite potential for adverse impact or opportunities to lessen the impact of discrimination, harassment or victimisation and better advance equality and foster good relations between groups through the change. However, we are not planning to implement them as we are satisfied that our project will not lead to unlawful discrimination and there are justifiable reasons to continue as planned.</p>	
Stop or amend the	<p>Our change would have adverse effects on one or more protected groups that are not justified and cannot be mitigated. Our proposed change must be stopped or amended.</p>	

Equality Analysis

proposed change		
Will this decision be considered at a scheduled meeting? e.g. Contracts and Commissioning Board (CCB) / Cabinet		Meeting title: Cabinet Meeting Date: February 2023

7. Sign-Off

Officers that must approve this decision		
Equalities Lead	Name: Denise McCausland	Date: 10 01 2023
	Position: Equalities Manager	
Director	Name: Steve Iles	
	Position: Director of Sustainable Communities	

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LONDON BOROUGH OF CROYDON

REPORT:	CABINET	
DATE OF DECISION	22nd February 2023	
REPORT TITLE:	Local Planning Authority Service Transformation	
CORPORATE DIRECTOR / DIRECTOR:	Nick Hibberd, Corporate Director of Sustainable Communities, Regeneration & Economic Recovery Heather Cheesbrough, Director of Planning & Sustainable Regeneration (and chief planning officer)	
LEAD OFFICER:	Nick Hibberd, Corporate Director of Sustainable Communities, Regeneration & Economic Recovery	
LEAD MEMBER:	Councillor Jeet Bains	
KEY DECISION?	No	
CONTAINS EXEMPT INFORMATION? <i>(* See guidance)</i>	NO	
WARDS AFFECTED:	N/A	

1 SUMMARY OF REPORT

- 1.1** The Local Planning Authority function (LPA) requires a significant transformation programme following a period of sustained budget reductions over recent years. Since the May 2022 election, the Executive's Mayor has made improving the planning service a priority. An independent Planning Advisory Service (PAS) review has identified the need to transform the planning service. This report outlines how the service will respond to the recommendations made by the PAS review through establishing and delivering a Planning Transformation Programme. The programme will also deliver the priorities within the Executive Mayor's Business Plan, enable the service to adjust to proposed national planning reforms, and respond to feedback from residents and applicants.
- 1.2** This report sets out the draft transformation programme for the LPA with the aim of delivering sustained improvement to performance and customer experience, whilst

responding to feedback from residents and applicants and delivering the future spatial development needs of the borough.

- 1.3 The Planning Advisory Service (PAS) were invited to undertake a Development Management Process Review and a Peer Challenge. From the recommendations made and engagement with PAS a Draft Transformation Action Plan for the Development Management workstream has been prepared.
- 1.4 This Draft Transformational Programme and Action Plan will be finalised following engagement with the wider officer group, the development community and Residents Associations.

2 RECOMMENDATIONS

For the reasons set out in the report and its appendices, the Executive Mayor in Cabinet, is recommended:

- 2.1 To agree the draft Planning Transformation Programme structure, including the programme's high level workstreams, future governance and next steps.
- 2.2 To delegate the preparation of the Final Planning Transformation Programme, to the Corporate Director of Sustainable Communities, Regeneration and Economic Recovery following further consultation with the Cabinet Member of Planning and Regeneration.

3 REASONS FOR RECOMMENDATIONS

- 3.1 Over recent years the entire Planning service has been stripped of funding with successive cuts and savings required. This has seen the Local Plan Review paused with Policy officers redirected to the Development Management service in an effort to address the resourcing crisis within this team following the reduction in permanent and agency staff in the run up to the issuing of the s114 Notice. Within this context the LPA has struggled to deliver excellent customer service due to the long-term under investment in staffing and lack of strategic investment in its physical assets of IT. This has hindered case officer productivity and led to inefficient processes and generated an increasing backlog of applications. This has taken valuable officer time away from 'softer' activities such as communications with applicants and building relationships within local communities to help enhance understanding of the planning process.. The provision of important 'added value' to applicants through its pre app service has also been undermined through delays in response times and even the capability to provide basic customer service, has at times been challenging. The pandemic further eroded the service's resilience with the submission of significantly increased levels of householder applications, which tipped the growing backlog into an unmanageable level.
- 3.2 In recognition of these challenges, the Planning Advisory Service, as an independent body were asked to review the DM service and provide recommendations to assist in its transformation. These recommendations and the process of the review have helped to inform a draft Planning Transformation Action Plan. A Planning Transformation Board has been set up to provide Governance and a new post of Planning

Improvement Manager is being recruited to provide the necessary resource to drive forward transformation for the DM team, review the local plan, and improve the planning enforcement service.

- 3.3** The Government is seeking to drive reform in the planning system through the Levelling Up and Regeneration Bill, this includes much greater digital enablement of planning processes. Croydon is one of the top 50 busiest Local Planning Authorities in the country, and is seventh busiest in London receiving over 1700 Government monitored applications p/a, although this rises to c.5000 applications if all applications are counted and c.250 pre apps p/a. However, the current IT capability in the Planning Directorate is hampering its ability to engage in the Government's agenda and improvements are urgently needed in order that the DM service can meet the entry level of planning digitalisation that will be required once the Bill is enacted. Making these basic improvements would then allow participation in pilot improvement projects and increase chances to successfully bid for funds.

4 BACKGROUND AND DETAILS

- 4.1** Planning carries great responsibility – setting the spatial strategy and decisions about development will impact on generations to come as well as being a key determinant in progressing equality of opportunity for all. Preparing and delivering the spatial development of the borough is complex with a need to engage widely and for the LPA to make difficult decisions. Planning is a system which seeks to balance the rights of the individual to develop their own land against the impacts (social, economic and environmental) it will have on wider society. Balancing these often-competing perspectives to deliver sustainable development and good growth is at the heart of what the LPA does. In recognition of the challenge to do this and to listen and work more with local communities, the Executive Mayor's Business Plan has prioritised the need to transform and improve how the LPA delivers in the borough.

Listening to Residents

- 4.2** Over recent years there has been clear feedback from residents and customers that Croydon's planning service needs to be transformed to become more responsive to resident's and applicant's concerns. Executive Mayor Perry made a clear manifesto pledge in the 2022 pre-election period to revoke the Croydon suburban design guide supplementary planning document (SPD2). The Executive Mayor's pledge, which has subsequently led to the revocation of SPD2 reflects a commitment to ensure that new development respects character, is led by design over density and improves the quality of future development. It is proposed that the Planning Transformation Programme will include a work stream on resident engagement and customer service as part of developing a more responsive and engaged planning service.

Delivering the Executive Mayor's Business Plan

- 4.3** The Executive Mayor's Business Plan 2022-2026 identifies the following priorities that support the need for the Planning Transformation Programme. The Transformation Programme will seek to create an LPA that responds to the following Mayor's Business Plan outcomes and priorities:

Outcome 2: Croydon is a place of opportunity for business, earning and learning

1. Priority: Support the regeneration of Croydon's town and district centres, seeking inward investment and grants

The Council will work with businesses and residents to develop a new, sustainable plan to regenerate Croydon town centre that responds to changes in the retail and leisure industry. Together we will develop collaborative strategies, seek inward investment and apply for grants to revive our high streets and district hubs, and unleash Croydon's economic potential.

With our partners we will:

- Develop and deliver a clear shared vision with businesses, developers and residents to steer our town centre and high street recovery.
- Launch an exciting inward investment campaign for Croydon to attract new businesses and jobs in growth sectors.

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

4. Priority: Ensure new homes are safe, well-designed and in keeping with the local area

New development will be design-led, not density-led. While we must continue to plan for new homes, schemes must respect the views of local people, enhance the character of our places, and recognise the need for amenity space.

We will:

- Review Croydon's Local Plan to remove intensification zones, support sustainable development and emphasise design and character over density.
- Revoke the SPD2 Suburban Design Guide.
- Review conservation areas to ensure the borough's special places are protected for generations to come.
- Review the planning and enforcement service to identify the resources needed to improve the service for customers.
- Enforce policies to tackle the cumulative impact of houses in multiple occupation.

Responding to reforms to national planning policy

- 4.4 The Planning Transformation Programme also needs to ensure that the LPA is able to respond to proposed changes happening nationally through the Levelling Up and

Regeneration Bill and the current consultation on the National Planning Policy Framework (NPPF). Specifically, the Planning Transformation programme will ensure that the planning service is fit for purpose to respond the emerging national reform of planning policy:

- 4.5** The government in its introduction to its current consultation on the NPPF states; ‘The government is committed to levelling up across the country, building more homes to increase home ownership, empowering communities to make better places, restoring local pride and regenerating towns and cities. The February 2022 Levelling Up White Paper reiterated the government’s commitment to making improvements to the planning system to achieve this, by giving communities a stronger say over where homes are built and what they look like. The Levelling-up and Regeneration Bill (the Bill) which is before Parliament will put the foundations in place for delivering this by creating a genuinely plan-led system with a stronger voice for communities. It will ensure greater provision of community infrastructure by developers, mandate that beautiful new development meets clear design standards that reflect community views, and enhance protections for our precious environmental and heritage assets.’
- 4.6** The December 2022 consultation on reforms to the NPPF, includes further clarification on how housing targets are derived, delivered and monitored, it seeks to give greater flexibility to responding to local circumstances and the promotion of character over density. However, in London, local plans will still need to accommodate housing targets that are set by the London Mayor in the London Plan. The importance of Local Authorities having an up-to-date Local Plan is emphasised and the concept of National Development Management policies are introduced and how these will be implemented.

Responding to Corporate Reviews

- 4.7** A number of Governance Reviews have been undertaken since the Council’s first s114 notice and as part of its Improvement journey. The Independent Governance Review identified two recommendations in relation to Planning, one to promote more cross party working on planning policy and discussion and one to consider the recommendations in the PAS report and ensure those form part of the Planning Committee’s journey to improve resident experience. These have informed the preparation of the Planning Transformation Action Plan.

5 Diagnostic of the current service and findings

- 5.1** Since the arrival of the permanent Corporate Director in April 2022, much time has been spent reviewing the immediate work that can be actioned and longer-term actions which will form a larger programme of transformation of the LPA. This review has largely taken place through the Planning Advisory Service (PAS) peer challenge review, and through workshops on the review of the Local Plan and review of enforcement guidance.
- 5.2** For some time, the planning service has experienced under resourcing. This has been caused by reductions in staff created by reductions in service budgets and by challenges recruiting. Challenges with vacant roles across the service has put pressure on staff and has led to reduced service delivery. A backlog of applications and delay to the Local Development Framework production has resulted and there has been limited capacity to take a strategic approach to the transformation of the service.

Staff and managers in some teams are so consumed with fire-fighting and additional requirements as a result of the Council's Section 114s that they are unable to focus on proactive service delivery and improving customer service. This has resulted in residents and customers losing trust in the planning service and the ability of the service to deliver effectively.

- 5.3** The service has also suffered from a lack of strategic investment in digitalisation and IT. This has hindered case officer productivity and led to inefficient processes. The Government is seeking to drive greater digital enablement of planning processes through the Levelling Up and Regeneration Bill, this includes much greater digital enablement of planning processes. Croydon's current IT capability in the planning service is hampering its ability to engage in the Government's agenda and improvements are urgently needed in order that the service can meet the entry level of planning digitalisation that will be required once the Bill is enacted.
- 5.4** The impact of the S114s, inefficient processes and under resourcing has been that valuable officer time away from 'softer' activities such as communications with applicants and building relationships within local communities to help enhance understanding of the planning process. The provision of important 'added value' to applicants through its pre app service has also been undermined through delays in response times and even the capability to provide basic customer service, has at times been challenging.

Planning Advisory Service – Peer Challenge Review

- 5.5** In recognition of the challenges that the planning service has been facing and the need for transformation, the Planning Advisory Service (PAS), as an independent body, were asked to review the DM service and provide recommendations to assist in its transformation. This was in recognition that determination of planning applications against government performance targets were at threat, service standards had dropped, income was falling, resident and ward members were concerned over enforcement activity and the application backlog had increased to unacceptable levels. Case officers had unsustainable caseloads and the wider engagement work, which is good practice with residents and developers had been reduced to a minimum to allow officers to focus on determining applications. Complaints, members and MP enquiries were at levels that were challenging to manage, and officers were targeted on social media and this, with workload pressures, had contributed to the low morale in the service.
- 5.6** The PAS peer challenge review was completed in June 2022. The PAS reports and recommendations can be found at **Appendix 1**. These recommendations and the process of the review have helped to inform a draft Planning Transformation Action Plan (**see Appendix 2**).
- 5.7** The DM service asked PAS to consider the following areas:
- Development management performance.
 - Efficiencies and effectiveness of Planning Committee
 - Enforcement
 - Relationship with customers and management of complaints
 - Planning staff structures

The review was undertaken within the context of:

- Vision and leadership
 - Service Performance & Management
 - Community engagement
 - Partner engagement
 - Achieving outcomes
- 5.8** The Development Management Process Review looked in greater detail at DM performance and the processes and procedures followed by the team to deliver its DM function.
- 5.9** PAS provided a thorough and detailed analysis through interviews with officers, members, applicants, and resident associations. The key report findings identified that whilst many practices and procedures were good and even best practice, others were causing officers to work inefficiently. The lack of resourcing was a significant problem with the service at breaking point and that whilst the DM service is a major income source, it had not been sufficiently resourced to optimise the generation of income.
- 5.10** The PAS review panel also found that there was a significant breakdown in communication and trust between officers, members, and the public, however PAS identified an opportunity to reset and rebuild trust and there is a clear willingness from officers and members to learn from elsewhere and from each other.
- 5.11** To ensure that improvements could be made PAS were clear on the need for the service and officers to have the capacity and resources for
- driving improvements
 - engaging with internal and external stakeholders
 - training and development.
- 5.12** The draft Action Planning Transformation Plan (**appendix 2**) draws together recommendations across both of the PAS reports. To address the fundamental issue of lack of resourcing, a Planning Service Improvement Manager is to be recruited for a Fixed term period of two years, this post will take the lead on the delivery of the Transformation Programme and provide capacity to drive change. To provide governance and assurance a Planning Transformation Board has been set up which reports to the SCRER Transformation Board. The commencement and implementation of the Transformation programme is conditional on the appointment of a Planning Service Improvement Manager.
- 5.13** The recommendations of the PAS reviews have been grouped in the following areas:
- Resource and Performance Management
 - Technological Improvements
 - Officer Training, Development, Morale, and Retention
 - Internal Process Review
 - Communication and Engagement
 - Planning Policy, Procedure Development
 - Planning Committee

5.14 Resource and Performance Management

The PAS Review found that the service benefits from a high quality of officers who are professional and dedicated and the current staffing structure meets the planning requirements of Croydon. However, the number of officers is insufficient, and PAS found in June 2022 that the service is currently firefighting and losing. Enforcement has specific issues with responses to enforcement enquiries not meeting residents and member expectations.

5.15 Technological Improvements

The PAS review found that Uniform and IT processes are used inefficiently creating duplication of activities and the way IT is set up and used is not fit for purpose and wastes resources. The transformation of the Planning service's IT needs to be a key focus of wider IT investment through the Council's transformation programme. This will speed up processes, increase productivity and avoid wasteful use of officer time. Data standards and digitisation is a key part of impending planning reforms and it is important the Council are not left lagging behind other authorities.

The better utilisation of Uniform is an early win through drawing on existing knowledge within the Council and the wider London borough LPA network.

5.16 Officer, Training, Development, Morale and Retention

Staff wellbeing was raised as key concern during the PAS review with unmanageable workloads and the pressures they receive from applicants, the community, and social media. Staff needed to be better supported to deliver and to feel valued.

The PAS review recommends that Job descriptions should be reviewed to ensure these accurately reflect performance management and complexity of workload and measures put in place to provide more formal opportunities for staff to raise concerns and issues around morale and training and development. A Strategy for staff retention and development should also be part of this.

5.17 Internal Processes

The PAS review recognised that the service has some excellent practices. There is a sound scheme of delegation, and some sound processes and procedures in place, including the Major Applications weekly meeting, which allows management oversight of major and complex applications to provide a strategic steer and as a training opportunity for junior officers. The DM Manual is an exemplar of national best practice. Officer reports are very high quality and clear. Pre-app and PPAs are well thought of by agents for Major developments and there are good relationships between individual officers and consultees.

However, the PAS review highlighted that the approach to validation is causing major problems and a bottleneck. It seeks to balance - performance versus customer service but currently does not achieve either. There is too much management time taken up with complaints and issues with vexatious complainants. There is a lack of internal consultee support, particularly within legal which is impacting on performance and sound decision making.

5.18 Communications and Engagement

The PAS review found that whilst there are some good individual relationships between planning officers, residents, consultees and interested parties, there is a general need to re-build trust and relationships between Members, officers, and residents. The lack of communication with the public and applicants has arisen from the reduced resources and the pandemic and this has helped to create suspicion, a perception of bias and a lack of transparency, which has contributed to a breakdown in trust. PAS recommended that additional resource and a Communications strategy to counter the negative narrative that is impacting officer morale and affecting recruitment and retention.

Proactive communications could be undertaken to demonstrate action on enforcement and through additional information on the website to demonstrate how the Council manages conflicts of interest.

There are many knowledgeable and active community groups and these are an asset who the planning service need to collaborate more with. The existing twice yearly Developer Forums and Residents Association meetings are identified as good practice, but more could be done to embrace residents desire to get involved in planning so that it is a more positive relationship.

5.19 Policy Development

The PAS review recognised the process of the Local Plan Review as an example of good plan making. The review acknowledges the need to retain a strong policy framework and work collaboratively on the Local Plan Review to avoid significant delays in the plan making process and subsequent potential unintended consequences of reduced local decision-making powers. An appropriate replacement to SPD2 should be progressed to ensure there is continued consistent decision-making and this gives a valuable opportunity to build relationships and understanding between officers and members on policy development.

5.20 Planning Committee

PAS recognised that the Planning Committee were new when they undertook the Peer Challenge and this provided an ideal opportunity for officers and councillors to work together in rebuilding mutual trust and improve the operation of the Planning Committee. It was recognised that there was a need to create more productive and collaborative Planning Committee meetings where councillors and officers work together to make sound and defensible decisions.

Planning is extremely high profile in the Borough, with a high housing target, significant developer interest and active Resident Associations, which have all contributed to the planning service having high levels of political engagement. This creates a significant number of member and MP enquiries, complaints and FOIs.

The Resident Engagement work is anticipated to assist with this, but there is also a need to ensure members also have sufficient and appropriate training. The PAS Review found there was a commitment to ongoing training and to learn from best practice and that this should include Ward Members. A review of the two Planning Committees was recommended to ensure that requirements on speed, quality and delivery were optimised balanced with openness and transparency.

6. THE PLANNING TRANSFORMATION PROGRAMME STRUCTURE AND WORKSTREAMS

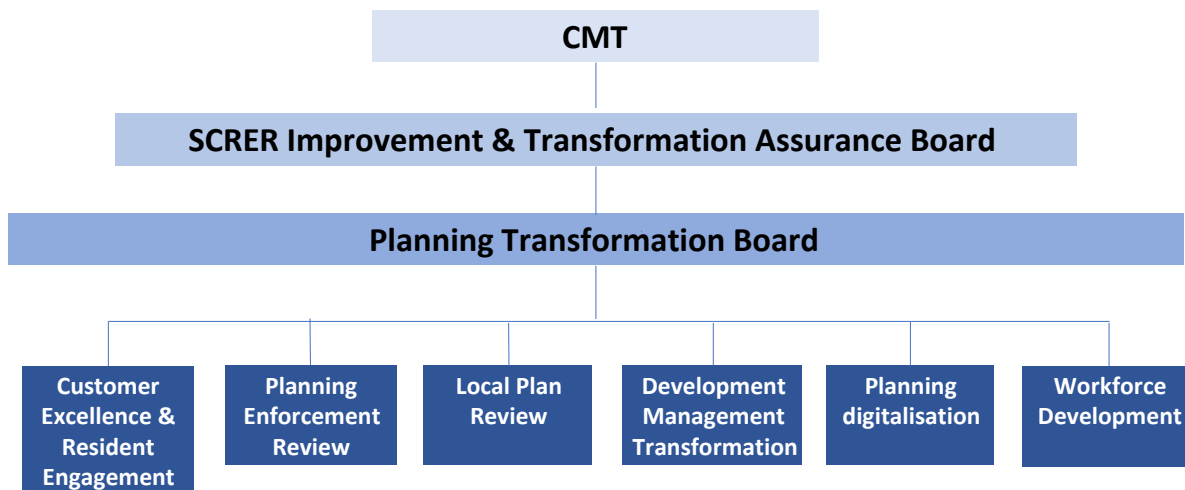
6.1 Diagram 1 depicts the proposed transformation programme architecture in this draft stage. The aim of the programme structure is to create the workstreams and governance that will oversee and deliver the whole of the transformation of the Local Planning Authority – including the delivery of the recommendations of the PAS review.

6.2 There are 6 workstreams which make up the programme:

1. Customer service and resident engagement. The aim will be to refocus the service on the delivery of consistently good and working towards excellent customer service and to ensure a culture of regular engagement with residents, customers and partners.
2. Local Development Framework (LDF) Programme (Local Development Scheme). The key component of the LDF programme is the review of the local plan workstream and will be overseen by the LDF Board, which will report into the Planning Transformation Board. The review of the local plan will seek to remove intensification zones, support sustainable development and emphasise design and character over density. This workstream will also oversee the residential extensions and alterations SPD, the review of HMO policies, replacement design guidance SPD, Purley Way Masterplan SPD, production of Conservation Area Appraisal, Planning Obligations SPD and review of the Community Infrastructure Levy charging schedule, alongside the annual statutory functions such as the Authority's Monitoring Report and Infrastructure Funding Statement.
3. Development Management Transformation. This workstream will deliver service improvement and efficiencies with the core development management service, through the delivery of the recommendations of the PAS review. The draft Development Management Transformation Action plan appears at **Appendix 2**.
4. Review of the Planning Enforcement Service. This will include a review of the enforcement guidance to ensure that resources are identified and focused to improve the service for customers.
5. Digitalisation of the Planning Service. Plan making, development management, placemaking and assessing development proposals are key areas where maximising digital tools can create efficiencies. With the focus on data standards and digitisation contained in the Levelling Up and Regeneration Bill, this workstream will ensure that IT systems are upgraded to respond to the digitalisation agenda.
6. Culture change, workforce and skills. Good planners can work around an imperfect planning system, but a perfect planning system can't work around a shortage of good planners. This workstream will aim to ensure that we are able to attract and retain good planners in Croydon and will prepare and deliver a workforce development plan and enable it's workforce to deliver excellence to residents, customers, and partners.

Diagram 1.

Planning Transformation Programme. Governance and initial scope of programme



- 6.3 Each of the workstreams will contain several projects each with their own project lead. The overall programme plan is currently being developed which will detail timeframes, risks, stakeholders, impact on customer, impact on business, interdependencies, outcomes, cost, and measures of success.
- 6.4 The workstreams report regularly into a new Transformation Steering Board which has reporting lines into SCRER Improvement & Transformation Board and the Corporate Management Team, the Political governance structure (Cabinet Member for Planning & Regeneration, Executive Mayor, Scrutiny, Cabinet). We anticipate the Board to meet monthly.
- 6.5 In addition, we will work with appropriate Resident Associations and development partners to ensure we have captured accurately the drivers that we are responding to, that our approach is appropriately engaging and that the solutions are designed with residents, customers and partners in mind.

7. PLANNING TRANSFORMATION BOARD MEMBERSHIP

- 7.1 We are seeking broader membership for the Transformation Steering board. The Board will seek representation from across the organisation and will involve key colleagues whose services and input will be impacted by the programme.
- 7.2 The delivery of the Planning Transformation Programme will remain a corporate priority through regular reporting from the Planning Transformation Board to the Corporate Management Team, and the inclusion of senior officers on the Board.
- 7.3 The Planning Transformation Steering Board will include the following members:
- Corporate Director Sustainable Communities, Regeneration & Economy Recovery
 - Planning Service Improvement Manager (Transformation Lead)
 - Director of Planning & Sustainable Regeneration
 - Head of Spatial Planning, Growth Zone & Regeneration
 - Head of Development Management

- Communications representative
- Nomination from Digital services
- Nomination from Finance
- Legal representative
- EDI representative

8. LINKAGES WITH OTHER INTERNAL CONTROL BOARDS

8.1 There are several other internal governance structures which form part of the programme. Internal control boards linked to the Transformation Programme's governance include those that:

- Oversee digital solutions (Digital Approvals Board and Digital Internal Control Board)
- Support through appropriate programme management (PMO)
- Ensure the inclusion of resident voice in all we do (Resident Voice Internal Control Board) and

Links will be formed with further governance boards as the organisation itself evolves its governance structure thereby ensuring that we have sufficient governance and engagement from across the organisation and can work collaboratively to deliver holistic services.

9. RESOURCES AND TIMESCALES

9.1 The Planning Transformation Programme has been allocated £300k funding for the delivery of the programme. A Planning Service Improvement Manager is being recruited to act as the transformation lead officer. Projects within the programme will be resourced using appropriately skilled staff. In many instances, we will seek to utilise existing resources but with expert direction. However, there will be some projects which, we anticipate, will be led by external consultants with very specific experience and skills. In these instances, we will ensure appropriate internal staff form a key part of the project team. The projects will be managed closely for VFM delivery, but we would also look for opportunities to transfer skills into the organisation where practical.

9.2 We anticipate this being at least a two-year programme with delivery in phases. We also anticipate that the workstreams will evolve as we progress through the programme delivery.

10 ALTERNATIVE OPTIONS CONSIDERED

10.1 The Planning Transformation programme is being drafted to respond to the Planning Advisory Service Review (PAS) recommendations. The PAS review considered options and made recommendations for the transformation of the service.

11 CONSULTATION

11.1 Consultation and engagement on the draft transformation programme will take place during February and March 2023. This will include engagement with the borough's Residents Associations, the Developer's Forum and business associations, such as Develop Croydon and the borough's Business Improvement Districts.

11.2 Streets & Environment Scrutiny Sub-Committee will consider the Planning Transformation Programme in March 2023.

12. CONTRIBUTION TO COUNCIL PRIORITIES

12.1 The Executive Mayor's Business Plan has a number of priorities which require the transformation of the planning service. These are outlined in paragraph 4.3 of this report.

13. IMPLICATIONS

13.1 FINANCIAL IMPLICATIONS

13.1.1 Effect of the decision

In the 2023/20224 MTFS Budget Proposals there is a £1m budget adjustment to realign the Income Budget which has shown a shortfall in income throughout 2023/2024, specifically in connection with the downturn of Major Applications. 30th November 2022 approved a £300k Transformation Budget which will be used to fund the transformation programme. Of the £300k transformation budget £100k is earmarked for improvements to the Planning Services Uniform IT System, whilst the rest will be earmarked for the recruitment of a Planning Improvement Manager on a fixed term contract for two years.

13.1.2 Financial Risks

The proposed improvement of the existing IT will be largely focused on fully exploiting the capabilities of the modules of the existing Uniform platform. This should result in fewer manual operations and work arounds, that require the use of standalone spreadsheets and systems and allow modules to link more seamlessly together. This will include optimising existing and future GIS and identifying new applications. However, the existing system may not be fit for purpose and the delayed re-procurement of Uniform may need to be brought forward and capital funding identified if Uniform is found to be not fit for purpose.

The economy is experiencing a downturn, which is seeing some private sector planning consultancies and developers shedding staff and this is impacting the planning service through a reduction in the major applications. These applications generate the larger fee income and help subsidise the costs of the household applications. If the reduction in major applications continues, this may mean that the proposed budget realignment of £1m will not be sufficient. This would also affect the ability for the service to deliver the agreed transformation savings, but these would be minimised due the changes which would be implemented. It should be noted that Planning Applications are led by demand and if this is in a downturn then the ability to achieve income budgets will always be affected regardless of how the service is performing. Staffing numbers will be kept under review as part of this mitigation; however, the Planning Service still have a backlog of applications to process.

13.1.3 Future savings/efficiencies

The Government are proposing to consult this Spring on the current Statutory Charges associated with planning applications which may mitigate further income shortfalls if the downturn in applications continue. At this point though, there is no indication of when or by how much any changes may deliver/be delivered.

13.1.4 Comments approved by Darrell Jones Acting Head of Finance (SCRER) on behalf of the S151 Officer

13.2 LEGAL IMPLICATIONS

13.2.1 This report recommends consultation of a draft Transformation Action Plan. Aspects of the Action Plan will require input and from other departments within the Council. Some recommendations will require additional governance processes to be followed before final approvals, for example any changes to Schemes of Delegation or to the Constitution.

13.2.2 The Executive Mayor has the power to exercise executive functions pursuant to s9E of the Local Government Act 2000 and has the power to delegate those functions. This report seeks relevant delegations to exercise executive functions.

13.2.3 Comments approved by the Head of Commercial & Property Law on behalf of the Director of Legal Services and Monitoring Officer. (Date 19th January 2023)

13.3 EQUALITIES IMPLICATIONS

13.3.1 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.

13.3.2 The transformation is designed to enhance the delivery of service to residents and also to raise the morale of staff who may have been affected by lack of resource that had caused an increase in work and challenged the mental health of some employees. The proposals do not impact negatively on the current staffing levels with no staff being made redundant and resources increased if need is identified.

13.3.3 Historically though the service is open to all residents, the residents in communication with the service have been largely in the older age groups. The service has indicated that they need to improve the relationship and communication with the whole community including those who are of a younger age group. Efforts will be made to develop the relationship across the range of residents, this includes people from seldom heard groups as detailed in Equality Strategy 2020 -2024. Improvements will also be made to how the service is delivered to Disabled residents who may have difficulties reading the text used in planning applications. The service will ensure that its consultation documents are compliant with the standards of the British Dyslexia Association. Staff members who are able to support residents who are non neuro typical and may have

conditions such as dementia or dyslexia will be on hand to support residents at public events. An EQIA is being developed and will be signed off on 13 February 2023

13.3.4 Comments approved by Denise McCausland Equalities Programme Manager. 09/022023

13.4 HUMAN RESOURCES IMPLICATIONS

13.4.1 There is an HR impact associated with this report in that a Planning Improvement Manager is to be recruited in order for this work to progress. The recruitment will be managed under the Council's Recruitment Policy.

13.4.2 If any other issues arise these will be managed in line under the Council's Policies and Procedures.

13.4.3 Approved by: Jennifer Sankar, Head of HR Housing Directorate and SCRER Directorate for and on behalf of Dean Shoesmith, Chief People Officer. 19/01/2023

14. APPENDICES

14.1 Appendix 1 - PAS reports and recommendations

14.2 Appendix 2 - draft Planning Transformation Action Plan

15. BACKGROUND DOCUMENTS

15.1 Independent Governance Review

15.2 Levelling -up and Regeneration Bill: reforms to national planning policy

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Croydon Development Management Processes Review

June 2022

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Executive summary

The Croydon Development Management Process Review should be considered as part of a package of support provided by PAS. It provides detailed feedback on the processes followed by Development Management in Croydon and the resources available to manage workloads. However, it is not backed up by detailed discussion and interviews with the staff and users of the Development Management service. It also has not considered in any detail the soundness of decision making through the Planning Committee process. Therefore, it should be considered alongside the Peer Challenge that took place after the process review (21-23 June 2022) and not considered in isolation.

Croydon's Development Management service has some excellent practices and clearly has experienced, knowledgeable and dedicated staff. Some areas of the service can be held up as national best practice in their approach. The staff are however clearly struggling to cope with the workload and some of the processes that have been put in place cannot function effectively with the level of staffing that currently operates at Croydon.

The staff structure is set up in a logical manner with clear allocation of responsibilities between managers, principal / senior officers, more junior officers, and technical support staff. The teams are also set up in a logical geographic split with one team managing most of the strategically important development opportunities.

The workloads of staff have become unsustainable with individual caseloads at any one time being far in excess of what would be reasonably manageable and these workloads need to be reduced urgently to avoid further pressures on performance and for the wider wellbeing of staff. Staff morale is clearly at a low ebb and the welfare of staff needs to be a urgent concern for the Council.

Croydon has an excellent system in place for managing key performance targets in terms of workload and speed of decision making and has an excellent Development Management Manual that is an example of national best practice. The service would benefit from further performance monitoring based on appeal performance, extensions of time and individual officer performance indicators.

Job descriptions are generally sound but in some cases need updating to reflect the changes in staff structure and procedures that have taken place in recent years.

Croydon offers a very comprehensive pre application service and its suite of services should be held up as best practice. However unfortunately the staff are not able to deliver on the service offered due to lack of resources to dedicate time to pre applications or to respond in a timely manner.

Croydon has changed its validation processes to provide a more customer focused approach whereby the case officer takes ownership of an application at the submission stage. The approach of Planning Officer validation is followed by other Councils very successfully. However in reality it has significantly slowed the validation process is causing a crippling impact on the speed of decision making. Performance is also being significantly affected by the resources available from internal consultees both through a lack of staff and the contracting out of certain functions that has meant that Planning is competing for scarce resources.

There is a very comprehensive scheme of delegation and Planning Committee code of practice in place and this appears to be working effectively. It does require a review with the need for clarification and additions and should be considered when appropriate to do so.

Officer reports are also very comprehensive and provide best practice in terms of quality and layout. Some relatively minor additions and refinements may be beneficial.

Workloads for Enforcement officers, as with planning application case officers are currently proving unmanageable and this is affecting the wellbeing of staff and the reputation of the Council. There is an urgent requirement to remove the backlog of cases and to improve the reporting and investigation processes. Some of the best enforcement best practice is seen in other London boroughs who could support Croydon in this respect.

Finally, due to the volume of correspondence received, managers are taking a disproportionate amount of time in dealing with a large number of complaints and councillor enquiries. This is preventing them from carrying out their other management functions. This is having a significant impact on performance and reputation which in turn is creating more complaints. This is a cycle that needs to be broken and this issue will be investigated further through the Peer Challenge.

Other issues such as IT are a clear problem to staff and have not been investigated in any depth by the team due to time constraints, but will be investigated through the Peer Challenge.

Recommendations

Service structure

1. Benchmark titles, experience, and salaries with neighbouring authorities to determine whether the current approach is reducing the ability to recruit.
2. Employ additional resources on a temporary basis to increase resources and address the applications backlog so that staff can be offered a manageable caseload (see also separate recommendation under Enforcement section) - Priority recommendation
3. Undertake a PAS Resource Review to identify the staffing resource required to deal with the ongoing workload demands and prevent the build-up of backlogs of both applications and enforcement cases.

Performance Management

4. Re-introduce the appeals monitoring process and include a regular report to Planning Committee. Monitor major appeal decisions and the Government quality measure using the PAS "Crystal Ball" particularly with reference to the appeals for non-determination
5. Identify Service, team and officer specific KPIs and ensure they are monitored and included as an integral part of the relevant meetings i.e., Service, Team and 1 to 1s.
6. Through this current Development Management Review and Peer Challenge focus on ways in which speed of decision making can be improved, particularly for non-Majors so that use of EOTs can be reduced. In particular establish targets for reduced use of EOTs focused particularly on non-Majors
7. Ensure the DM Manual is regularly reviewed and kept up to date.

Job Descriptions (JDs)

8. Review all JDs to ensure they accurately reflect the work that the grade is expected to undertake. In particular focus on the following issues:
 - Include the purpose of planning (delivery of quality place making, high quality developments, sustainable development and growth etc) in all JDs
 - Include reference to delivering sustainable development in accordance with the Development Plan and other relevant material considerations
 - Review the general consistency of structure; content; and cascade of purpose, outcomes, deliverables depending on role and seniority.
 - Include a clear approach to Development Management performance management throughout the JDs. Refer to developing and setting individual and team KPIs; and undertaking performance management functions such as 1 to 1s, team meetings, coaching, mentoring etc.
 - Review the language used in the JDs to ensure it reflects the approach to Development Management that Croydon wishes to take. In particular remove some of the 'process' language.
 - Update JDs to reference the current structure e.g. so that reference is made to North and South Development Management Teams not Central
 - Refer in all JDs the responsibility, at every level, to updating (or assist with updating), improving and implementing the DM Manual.

Officer Morale

9. Dedicated time should be given to staff share experiences and problem solve, as well as providing a safe space for voicing concerns. This should be done at a variety of scales. Croydon should programme in a whole department away-day focussed on staff morale and specifically the journey of improvement being undertaken. In addition, time within the Development Management Team meetings should facilitate a discussion on staff morale and current issues. It is important time is dedicated to staff morale and wellbeing and this should be set aside from business as usual.
10. The existing programme of informal mentoring should be developed further to encourage peer to peer learning across all levels of the department.

Pre apps and PPAs

11. As Part of Croydon's Resource Review assess the resourcing requirement (skills, experience, and quantity) to effectively resource pre application and PPA services and the amount of income that can be achieved.
12. Join the PAS pre app / PPA network that is being established as part of the 2022/23 PAS work programme. This will allow Croydon to draw upon good practice and share learning with other similarly sized Councils.

Registration and Validation

13. For a temporary period of time revert the validation of planning applications back to the Technical Support Team (following recruitment and training) to free up planning officer time to assess planning applications. This will require additional resources in the Technical Support Team.
14. Hold a workshop session with officers and Tech Support as part of recommendation above to help break the cycle of delays in validation
15. Use the Enterprise system fully to allow allocation of applications to take place without the use of alternative systems
16. Use the existing agents forum arrangements to help agents and Planning team work together and jointly own the performance issues.

Consultees

17. The issue of consultee resourcing and the knock-on effect it has on planning needs to be addressed in the service and corporately to ensure pre-application responses and applications can be efficiently assessed and determined.
18. Consider the costs and benefit in relation to employing an in house viability expert.
19. Investigate the increase of internal planning solicitor resource (and a clear long term approach to external legal support) that can be more accessible and timely to ensure robust decision making.

Scheme of Delegation and Planning Committee Code

20. Review some of the existing wording in the procedures and code where there could be potential problems. These include:
 - Consider whether referrals should relate to matters contrary to officer recommendation rather than just objections
 - Consider an alternative way of agreeing who speaks when multiple requests are made
 - Review the enforcement section
 - Need to review procedures for Planning Sub Committee when time runs out at full Planning Committee to consider the items.
21. Consider having the following additional sections including:
 - Clarify roles that the Lead Officer, Legal Officer and Democratic Support Officer should take during the Committee
 - Guidance on complaints procedure and reference to LGO and JR
 - With regard to Member applications define a close relative
 - Provision for dealing with S106 amendments
 - Set out the different referral routes in summary table to make it easier to understand
 - Include guidance on private interests separate from Disclosable Pecuniary interests
 - Include a reference to allowing officers to point out any potential costs issues if Members are voting against an officer recommendation
 - Include a monitoring and review section e.g. reviewing decisions of Committee, annual site visit as learning an reflection

Quality of Officer Reports

22. Introduce a standardised template for section headings in all officer reports
23. Include a section within reports that reference relevant emerging policies and how they apply to the development as material considerations.
24. Include within Reports statements on: Human Rights, Equality Act and Financial considerations.

Enforcement Practices

25. Employ additional temporary staff to increase resources to enable the Enforcement backlog to be reviewed and reduced
26. Review procedures for taking formal action by benchmarking against other London Boroughs
27. Review enforcement reporting so that it is given greater exposure to Members and senior officer

Customer Service and Communication

28. Consider a better process for managing the complaints received that identifies the most appropriate level within the organisation where a response should be made and an administrative process for ensuring that complaints are responded to on time. This could include better communication on the Council's website to indicate what matters can be considered as complaints and what matters are outside the scope of the Council's jurisdiction.

29. Introduce a more formalised learning through experience process so that lessons can be learnt on all areas of Planning including a celebration of things that have gone well and where officers have been praised
30. Work with the communications team to establish approaches to counter negative media coverage and celebrate good stories
31. Review the effectiveness of sending neighbour letters as well as site notices. If neighbour letters are still required then review the process notes to ensure that the process is robust

1. Introduction

- 1.1 The Planning Advisory Service (PAS) has been asked by Croydon to provide support and advice on improvements that can be made to its Planning service and in particular the Development Management function. This is following a dip in performance based on the DLUHC measures on speed of decision making and increasing pressure being experienced by staff to meet the expectations of Members, developers and the public in the discharge of its Planning functions.
- 1.2 The Planning Advisory Service (PAS) is part of the Local Government Association (LGA). PAS provides high quality help, advice, support and training on planning and service delivery to councils. Its work follows a 'sector led' improvement approach, whereby local authorities help each other to continuously improve
- 1.3 The purpose of this review is to examine in detail the effectiveness of the Development Management procedures that are in place to manage the Council's Development Management function. They were assessed against the broad principles set out in the [PAS DM Challenge Toolkit](#). This review forms the first part of a package of support being provided by PAS. It will be complemented by Planning Committee Member training and a LGA Peer Challenge focused on Development Management, Planning Committee and Planning Enforcement.
- 1.4 The PAS team was provided with a wide range of information and data to undertake the review. This included: staff structures; performance information; adopted policies and guidance; procedure manuals; and sample officer reports. In addition the team interviewed the senior management team responsible for planning and a selection of staff within the department. However the team did not interview any Council staff outside of the Planning teams or any customers of the Planning service. The reason for this is because the work forms just one element of the package of support to Croydon and is only looking at the procedures that are in place to support the Planning service. The Peer Challenge work will involve detailed discussions with the various customers of the Planning service. For this reason the Croydon Development Management Process Review should not be looked at in isolation but in tandem with the Peer Challenge report.
- 1.5 As the review forms part of a larger package of support some of the recommendation will refer to the other areas of work that will look into the issues in more detail.
- 1.6 The review team included members of the PAS Team and a consultant employed by PAS. The team included:

Gilian Macinnes, Planning and Placemaking Advisor, Gilian Macinnes Associates
Shelly Rouse, Principal Consultant, PAS
Peter Ford, Principal Consultant, PAS

2. Development Management Service Structure

- 2.1 The current structure appears reasonable for the volume and nature of Development Management work and it is the issue of resourcing within this structure that is the main area of concern. It is area based, with North, South and Central teams plus the Enforcement and Technical Support teams (illustrated on the structure chart). It is beneficial to have the area Development Management teams and Enforcement and Technical Support teams managed by the same manager to aid prioritisation and ensure that all those involved in the Service understand their role and the roles of others and to enable staff to work together to provide an effective Development Management service.
- 2.2 The recent budget cuts saw the loss of a team manager in the North Team, but CIL money is being used to reinstate a team manager. We understand that Croydon previously had a Strategic Sites Team. The Central Team is now responsible for a large proportion of the large, high-rise developments. We understand that the management aim is to include matrix management to enable officers to get experience of all types of work even if it is in a different team, due to the different nature of the work in the different areas. We consider that this team structure can work provided that the officer numbers and skills and experience reflect the quantity and type of work that they are doing.
- 2.3 With reference to the team structures, role profiles and workload it appears that a senior officer at Croydon carries out similar work to a principal officer in other authorities as they are expected to have 4-6 years experience. Due to the difficulty recruiting experienced staff, Team Leaders (TL) and Deputy Team Leaders (DTL) undertake case work, reducing their time to manage, supervise, coach and mentor team members.

Roles and Responsibilities

- 2.4 Team Leaders (TL) manage the teams and undertake allocation; Deputy Team Leaders (DTL) undertake day to day management and undertake the majority of sign off and manage some strategic applications; Principal Planning Officers (PPO) have some management responsibilities, but focus on Major applications; the Senior Planning Officers (SPO) are having to cover Planning Officers (PO) workload on more minor applications as there are insufficient POs to be able to manage the volume of Householder/Other applications that are received at Croydon. In terms of workload management, DTLs can run caseload reports by officer to manage workloads and performance. The TLs are all considered to be very knowledgeable but *'need time to get their head above the parapet'* (quote by officers)
- 2.5 The difference between the DTL and PPOs does not appear to be reflected in the Job descriptions (see below – Job Descriptions section).
- 2.6 In terms of role, the planning officers now undertake their own validation, which has resulted in a reduction in the number of technical support officers. It also results in a reduction in planning officer resource to assess planning applications. It can be desirable to have the same officer assessing and validating an application, however, this requires planning officers spending a greater amount of their time on each application. This new way of working (based on the “Wolverhampton approach”) was brought in to improve the customer experience. Issues regarding registration and validation are considered further later in this report.

Overall staff resources – planning applications

- 2.7 We considered the number of officers and applications being managed by individual staff and also feedback from individual members staff.

2.8 During the interviews with staff the following comments were heard:

'There are not enough 'bums on seats'.

'We need support –specialist support'

'We need more officers at the correct level, with experience, we are short of senior knowledge and experience'

2.9 These views appear to be confirmed when reference is made to the comparison table (see below) for all live applications and applications per case officer and the review of establishment (full time equivalents (FTEs) before and after the cuts). There appears to be a mismatch in overall resources and the total number of applications received and this mismatch has been getting progressively worse for several years.

Comparison weeks	all live Apps	live majors	Max per officer	Ave apps per career grade officer	total staff that week	Decision per FTE
28/3/22-1/4/22	1606	76	85	130	12.4	6.5
30/3/20-3/04/20	1006	59	55	59	17	5.4
26/3/18-30/3/18	728	54	49	46	16	4.9

Source data provided by Croydon BC – DM Monitoring

2.10 The department has supplied additional data on staff numbers in terms of establishment and temporary staff.

2.11 The current staffing consists of 35.8 permanent positions 32 of which are funded by the organisation (establishment) and 3.8 which are currently unfunded.

2.12 Under the previous structure, prior to the cuts there were 35 FTE equivalent officers plus between 5-7 temporary staff, excluding enforcement officers

2.13 The total number of enforcement officers has been reduced from 6 to 4.8 FTE equivalents following recent budget cuts..

2.14 Both Planning Officers (management and areas teams) and Enforcement are using CIL Admin proportion to fund posts.

2.15 Croydon has previously been quite stable in terms of staffing in Development Management, however, in the last couple of years it has experienced a churn of staff and this has had a negative impact in terms of capacity. There has been more successful recruitment recently (July 2021 Advertisement campaign) with 3 previous members of staff returning to Croydon.

2.16 The Council's financial situation has had an adverse impact on staffing, we understand that temporary staff that left were not replaced and as part of the cuts other temporary staff were not retained. This resulted in an increase in the number of applications per officer. Pre -May 2020 money had been allocated to address the staffing issues but when 15% savings were

sought we understand the money for the staffing went to savings. We are told the Spatial Planning Team was required to make just over 15% savings in 2020 reducing the staff establishment of the Service. We also heard that as a consequence of the post Section 114 recruitment restrictions, a good proportion of Spatial Planning for a period of just over six months helped Development Management to tackle the backlog with a direct impact on the programme for delivery of the Local Plan review in particular.

- 2.17 Planning case officer caseloads peaked at 100+ applications for some officers plus validation and appeals, but we understand that this has now been reduced to 60-80 applications on average plus validation plus appeals. Even with this reduced caseload it is clearly unsustainable and must be reduced to safeguard the wellbeing of staff and the reputation of the Development Management service. Whilst it is very difficult to provide a reasonable average caseload without undertaking and productivity and resource review, a national benchmark of no more than 40-50 live (i.e. validated and being considered) cases per officer at any one time is generally accepted as reasonable. In Croydon's case this number should, if anything, be reduced due to the relatively high number of Major applications submitted.
- 2.18 A comment was made that some officers take leave to do work, to have quiet time. If this is true then it is unsustainable and has serious wellbeing implications.
- 2.19 In terms of Enforcement we understand that the team leader left in October 2021 and most of the remaining team have since resigned. (See Review of Enforcement Practices – below). However there has been recruitment of permanent and temporary staff to Enforcement since that time.

Recommendations

- Benchmark titles, experience, and salaries with neighbouring authorities to determine whether the current approach is reducing the ability to recruit.
- Employ additional resources on a temporary basis to increase resources and address the applications backlog so that staff can be offered a manageable caseload (see also separate recommendation under Enforcement section) - **Priority recommendation**
- Undertake a PAS Resource Review to identify the staffing resource required to deal with the ongoing workload demands and prevent the build-up of backlogs of both applications and enforcement cases.

3. Performance management

Overall approach

- 3.1 There is a clear awareness of Government's speed statistics and performance measurement at Croydon. This is monitored on a weekly and monthly basis with excellent procedures in place to monitor performance. There is an impressive range of other performance data that is recorded based on numbers of applications received and determined. Information is also provided on staff capacity and application volumes. However, there is a limited focus on other performance measurements, particularly outside the headline Government performance measures. Croydon's performance indicators (KPIs) are standard Government targets, there are no nuanced KPIs. There could be a greater emphasis on overall Service and Team performance and individual officers' contribution to that performance. It is important to embed performance management at all levels and make it integral to the management of the service. The suite of KPIs should feature in 1 to 1 meeting, team meeting and formal appraisals so that staff have a greater awareness of performance matters.

3.2 Croydon is struggling with regard to speed of decision making. In regard to Major applications performance has deteriorated significantly since July 2021 and Croydon is likely to be at risk of not meeting the minimum speed threshold of 60% at the end of the DLUHC assessment period (end of September 2022). Speed of determining non-Major applications has, in the main been below the minimum threshold of 70% throughout the DLUHC assessment period except for the quarter April to June 2021. If current trends continue Croydon will also be below the minimum DLUHC threshold at the end of the assessment period.

Croydon																			
Designation Period 2020_2022																			
Criteria: Speed																			
Council Croydon																			
	District matter Majors (151a)					County matter majors (151b)					Non-majors (153)								
	All Major Decisions	Major Decisions within 13 weeks	PPA, EoT or EIA Decisions	PPA, EoT or EIA Decisions in time	Out of time	Result	All Major Decisions	Major Decisions within 13 weeks	PPA, EoT or EIA Decisions	PPA, EoT or EIA Decisions in time	Out of time	Result	Non-major Decisions	Non-major Decisions within 8 weeks	PPA, EoT or EIA Decisions	PPA, EoT or EIA Decisions in time	Out of time	Result	
Q1 Oct - Dec 2020	13	2	8	8	3	77%	Q1						Q1	590	287	146	115	188	68%
Q2 Jan - Mar 2021	18	2	15	15	1	94%	Q2						Q2	537	241	141	106	190	65%
Q3 Apr - Jun 2021	10	1	8	7	2	80%	Q3						Q3	634	330	166	156	148	77%
Q4 Jul - Sep 2021	6	1	2	2	3	50%	Q4						Q4	569	245	168	147	177	69%
Q5 Oct - Dec 2021	11	0	8	5	6	45%	Q5						Q5	491	168	171	152	171	65%
Q6 Jan - Mar 2022	12	1	10	10	1	92%	Q6						Q6	508	186	247	231	91	82%
Q7 Apr - Jun 2022							Q7						Q7						
Q8 Jul - Sep 2022							Q8						Q8						
total	70	7	51	47	16	77%		0	0	0	0		3329	1457	1039	907	965	71%	
	Minimum level required 60%						Minimum level required 60%						Minimum level required 70%						
Assessment is made late December 2022, for designation announcement early 2023																			

3.3 Croydon has performed much better on quality of decision making with only two Major appeals upheld during the current assessment period (2.73%) and 29 non-Majors upheld (0.68%). Therefore Croydon is unlikely to exceed the threshold of 10% at the end of the next assessment period – this is likely to be in autumn 2022.

3.4 Although Croydon’s appeals record is good there have been two recent major non-determination appeals and two major application overturned recommendations for refusal that could have a significant adverse impact particularly on Croydon’s major appeals quality performance in the coming months and years. This need to be carefully monitored.

3.5 We are advised that the planning appeals report to Planning Committee was stopped due to lack of staff capacity. It is important that the Members and officers are kept aware of appeal performance, committee and officer performance and the issues that are arising to help inform future decision making and ensure consistency of decisions and robust decision making. This does not have to be an onerous task with a simple reporting format.

Criteria: Quality

Council: Croydon

		District matter Majors						County matter Majors						Non-majors								
		All Major Decisions	Refusals	Appeals	Dismissed	Appeals allowed	Pending	Result	All Major Decisions	Refusals	Appeals	Dismissed	Appeals allowed	Pending	Result	All Non-Major Decisions	Refusals	Appeals	Dismissed	Appeals allowed	Pending	Result
Quarter 01	Apr - Jun 2018	15		1	0	1	0	6.67%	0	0	0	0	0	0		493		21	16	5	0	1.01%
Quarter 02	Jul - Sep 2018	11		3	2	1	0	9.09%	0	0	0	0	0	0		620		30	24	6	0	0.97%
Quarter 03	Oct - Dec 2018	13		0	0	0	0	0.00%	0	0	0	0	0	0		488		15	9	6	0	1.23%
Quarter 04	Jan - Mar 2019	24		3	2	1	0	4.17%	0	0	0	0	0	0		517		17	14	3	0	0.58%
Quarter 05	Apr - Jun 2019	8		0	0	0	0	0.00%	0	0	0	0	0	0		546		24	21	3	0	0.55%
Quarter 06	Jul - Sep 2019	11		0	0	0	0	0.00%	0	0	0	0	0	0		590		16	14	2	0	0.34%
Quarter 07	Oct - Dec 2019	17		0	0	0	0	0.00%	0	0	0	0	0	0		527		19	17	2	0	0.38%
Quarter 08	Jan - Mar 2020	11		0	0	0	0	0.00%	0	0	0	0	0	0		489		19	17	2	0	0.41%
total		110	0	7	4	3	0	2.73%	0	0	0	0	0	0		4270	0	161	132	29	0	0.68%
		Maximum level required						10.00%	Maximum level required						10.00%	Maximum level required						10.00%

3.6 The Council has a high level of delegation to officers circa 96%. There has been a high level of refusals in recent years which is likely to result in more appeals. The lack of a functioning Pre application service due to lack of staff resources will be feeding into refusal rate and the level of appeals (see also section on pre applications).

Quarters	% Granted
Oct to Dec 2021	64
July to September 2021 P	63
April to June 2021 P	72
January to March 2021 P	70
October to December 2020 P	66
July to September 2020 P	68
April to June 2020 P	73
Data Missing	
October to December 2019 P	81
July to September 2019 P	84
April to June 2019 P	84
January to March 2019 P	87
October to December 2018 P	89

Use of Extensions of Time (EoT)

- 3.7 At Croydon, there is extensive use of extensions of time agreements (EoTs). This is quite common with major applications but the extensive use of them for non-major applications is concerning. It appears that they are being used as a 'sticking plaster' to manage the resourcing difficulties being faced by the service at present. This approach is not a long term solution, it is building up the backlog and storing up further difficulties for the future.
- 3.8 In December 2021, 29% of all applications had an EoT for the rolling 24 month period, with 72% of applications being determined in time or an extension of time; for the October - December 2021 quarter, 35% of non-major applications had an EoT with 65% of applications determined in time; and in July - September 2021, 43% of non-major applications had an EoT with 69% of them determined in time. This was the peak use of EoT's. For major applications, there were 72.7% EoT in the October -December 2021 quarter and 70.5% for the 24 month rolling period. This is less unusual or concerning for major applications. However, it should be noted that, regardless of the use of EoT, in the quarter ending December 2021 only 45.5% of major application were in time or with an agreed EoT.

Applications Flow and Backlogs (in Hand) based on those applications that are included in the DLUHC PS2 returns

Application Flow - Table 133	Total applications received	Total decisions	% of decisions delegated to officers	Total decisions granted	Percentage of decisions granted	Applications on hand at the beginning of the quarter	Applications withdrawn called in or turned away	Applications on hand at the end of the quarter
Oct to Dec 21	573	530	97	340	64	976	37	982
July to Sept 21	640	600	98	379	63	963	26	977
April to June 21	785	668	99	480	72	875	32	960
Jan to March 21	698	563	96	393	70	777	32	880
Oct to Dec 20	644	624	96	414	66	795	32	783
July to Sept 20	671	531	97	361	68	689	31	798
April to June 20	551	537	97	394	73	703	28	689
Missing								
Oct to Dec19	563	571	96	461	81	628	22	598
July to Sept 19	670	619	95	517	84	615	34	632
April to June 19	663	568	95	478	84	575	46	624

Application Flow - Table 133	Total applications received	Total decisions	% of decisions delegated to officers	Total decisions granted	Percentage of decisions granted	Applications on hand at the beginning of the quarter	Applications withdrawn called in or turned away	Applications on hand at the end of the quarter
Jan to March 19	618	557	93	484	87	543	30	574
Oct to Dec 18	607	526	94	467	89	509	43	547

Source: Government Planning Live Statistics

3.9 The table above (from DLUHC live table P133) illustrates the flow of applications and the significant backlog that Croydon is building up, from 547 in October-December 2018 quarter to 982 in the October -December 2021 quarter. Croydon has experienced an increase in applications received during the pandemic, with a high of 785 in April to June 2021. However, this has reduced back to 573 in the October - December 2021 quarter. There was an average of 640 applications submitted and 431 decisions issued in the 12 quarters where the data is available dating back to Dec 2018. The average number of applications submitted in the last four quarter increased to 674 with an average of 590 decisions issued. There was an average of 692 submissions with an average of 614 decisions issued in the year to Sept 2021. In considering the difference in applications submitted and decided over the period since December 2018, it is apparent that there has been an on-going issue with a building backlog (increasing in-hand figure). The critical time was the year from July 2020 until June 2021 when over 400 more applications were received than decisions issued. It should be noted that these figures are only the application types reported to DLUHC and do not include all application types. The backlog will be almost double when the full application workload is taken into account including those applications not included in the Government reported statistics, is considered (see Live Applications in the comparison table below).

Quarters	Application received minus decisions issued
Oct to Dec 2021	43
July to September 2021	40
April to June 2021	117
January to March 2021	135
October to December 2020	20
July to September 2020	140
April to June 2020	14

Quarters	Application received minus decisions issued
Data Missing	0
October to December 2019	(8)
July to September 2019	51
April to June 2019	95
January to March 2019	61
October to December 2018	81

3.10 The Table below gives the total number of applications, not just those required for the Government statistics applications types, received in the first quarter (approx.) for each of the sample years. This illustrates that the applications received have gone down slightly over this period but with percentage valid reduced from circa 40% to circa 30%.

1st Quarter (approx.)	Applications Received	Applications valid
year to 01/04/22	1238	388
year to 03/04/20	1346	527
year to 30/03/18	1391	534

Source data provided by Croydon BC – DM Monitoring

3.11 However, when the applications received is compared with the live applications (applications in hand) for the selected comparison week, based on Croydon’s Development Management Monitoring which take into account all applications (see below), it identifies a large backlog that is growing and there are very high officer caseloads.

Comparison week	all live Apps	live majors	Max per officer	Ave apps per career grade officer	total staff that week	Decision per FTE
28/3/22-1/4/22	1606	76	85	130	12.4	6.5
30/3/20-3/04/20	1006	59	55	59	17	5.4

Comparison week	all live Apps	live majors	Max per officer	Ave apps per career grade officer	total staff that week	Decision per FTE
26/3/18-30/3/18	728	54	49	46	16	4.9

Source data provided by Croydon BC – DM Monitoring

3.12 The table above selects a week from this year, 2020 and 2018 to get a snapshot of the workload levels for each year and how they have changed. The large number of live applications (in hand applications) at present in comparison to previous years is clear. There is also a very high maximum case load and career grade case load (advised to treat this with caution), reduced staffing numbers but only a slightly increased number of decisions per officer. A note of caution, staffing numbers are taken per week and so do vary due to a variety of absence reasons (e.g. leave, sickness etc). The table refers to all applications not just those that are reported to the Government on the PS1/2 returns.

Effectiveness of DM manual

- 3.13 The DM manual is excellent with a great amount of information and detail that is easy to understand. It is generally well presented with good visual information including screen shots/graphics. Any officer joining Croydon would be well placed to understand the key components of the job and how to access support and advice. It is national best practice. The Head of Development Management advises that there are still more areas to be covered.
- 3.14 We are told that the DM Manual is used often by officers in day-to-day tasks and is particularly well used by newer officers learning the processes and procedures. The manual is considered by officers as a live document for them to improve and add to. Team leaders have recently been involved in the drafting of the newer areas, as referenced above.

Recommendations

- Reintroduce the appeals monitoring process and include a regular report to Planning Committee
- Monitor major appeal decisions and the Government quality measure using the PAS “Crystal Ball” particularly with reference to the appeals for non determination
- Identify Service, team and officer specific KPIs and ensure they are monitored and included as an integral part of the relevant meetings i.e., Service, Team and 1 to 1s.
- Support with speed of decision-making is being provided through this Development Management Review, Peer Challenge and Planning Committee training
- Through this current Development Management Review and Peer Challenge focus on ways in which speed of decision making can be improved, particularly for non-Majors so that use of EOTs can be reduced.
- Establish targets for reduced use of EOTs focused particularly on non-Majors
- Ensure the DM Manual is regularly reviewed and kept up to date.

4. Job Descriptions (JDs)

General Overall

4.1 The JDs are generally sound and fit for purpose. However, there are some general points that could be used to help improve the consistency and relevance of the JDs. These are outlined below.

- There is a need for general consistency that can be cascaded through the JDs content. It would be clearer if all planning officer posts had the same basic structure and similar content that can then be varied based on the level and experience of each element required for the role. There are some purposes, responsibilities, outcomes and deliverables that should appear in all of them, although the deliverables are more likely to be different and will relate to the specific role and seniority. There should be a clearer cascade of these roles.
- The purpose of planning (delivery of quality place making, high quality developments, sustainable developments, growth etc) is generally missing from the JDs. The Purpose/Key outcomes should be clearly stated on all planners and support staff JDs
- There is mention of sustainable development in most JDs but no mention about delivering sustainable development having regard to the provisions of the Development Plan, in so far as they are material, and other relevant material considerations, unless material considerations indicate otherwise. This should be in all Planners' JDs
- There is a general lack of clear approach to Development Management performance management throughout the JDs. There is no reference to setting individual and team performance targets, or reference to the structures and approaches to ensure effective performance management – 1 to 1s, team meetings, coaching, mentoring etc.
- Reference is made to North and South Development Management Teams but not the Central Development Management team. Therefore an update is required.
- There is a lot of 'process' language that make the JDs sound very production line / administrative in content.
- The DM Manual is not overtly referred to in the JDs, however, everyone at every level should be responsible for identifying areas for update and improvement (although there also needs to be someone responsible for version control/overall approval)
- All the more senior Planner's JDs refer to requiring an accredited post graduate qualification even though accreditation can be achieved without a post graduate qualification. Therefore it may be more appropriate simply to refer to RTPI accreditation.

4.2 In addition to general comments on the JDs the following are specific comments in relation to individual JDs.

Head Of Development Management

- There is very little mention of the post's role in managing Enforcement and Trees
- The reference to KPIs and Performance focuses on reflecting corporate and central Govt KPIs and performance management measures, but in **Deliverables** there is reference to innovate and maintain KPIs, therefore, it does look as if the Head of Development Management has a role in developing/setting KPIs for members of her service.
- There is no specific reference to membership of the RTPI which is unusual for a post of this nature
- There is no mention of managing the Tech Support Team.
- There is no mention of Appeals in the introduction
- The JD Refers to responding to published KPIs but does not refer to creating them for the Development Management team (although it is referred to in 'Deliverables')

- The JD does not include the purposes of planning - delivery of quality place making, high quality developments, sustainable development and growth etc

Development Management Team leader

- No explicit mention of the postholder's Statutory responsibility as a cascade from Development Management manager
- The purpose of planning is missing
- The postholder's responsibility for management is very limited, there is reference to annual personal development Review , but not 1 to 1s, team meetings, support and coaching?
- The references to the postholder's responsibility for planning committee reports, attendance, presentation, and role in managing planning applications within the team are all a little unclear and should be given greater prominence.
- Is the postholder's role in undertaking planning applications and making recommendations on them the best use of a Team Managers' time? Should this be the exception rather than the norm? We suggest that the role should be focused more on managing the team.
- Under **Key areas for decision making** – add 'analysis' and refer to making recommendations for decision makers i.e. committee
- The JD states "responsible for the processing of all applications and related applications within an applications team". However "processing" sounds like a production line – should it perhaps use the word "assessment"?
- The JD states "Responsible for the efficient processing of appeals to the Planning Inspectorate within an Applications Team" . This wording again makes reference to 'own case load' – this should be the exception rather than the norm
- The JD states "Responsible for the performance management of legislative services within an Applications Team". It is unclear what the management of legislative services is. We suggest this wording is made more explicit / clarified.
- No specific reference to membership of the RTPi which is unusual for a post of this nature
- The Deputy Team leader seems to require more 'management skills' than the Team leader. e.g. the Deputy Team Leader needs to develop 'individual management skills: disciplinary and
- The Deputy Team Leader also requires 'General application of employment legislation' but this is not referenced in Team Leader JD

Deputy Team Leader

- The JDs for Principal Planning Officer and Deputy Team Leader appear to be the same but saved under different titles?
- The reference to Internal Contacts should reference the whole range of internal consultees - a catch all phrase would suffice
- Under **Management of Staff** there is no reference to 1 to 1s coaching or mentoring more junior members of the team.
- Under **Responsibility for Pre app advice** reference should be made to advice to case officers
- There is little reference to performance management and setting of KPIs for team members

Principal Planning Officer

- The post appears to have the same JD as the Deputy Team Leader

Senior Planning Officer

- included within the Planning JD.

Planning Officer

- Under Purpose there is nothing about quality of development or sustainability of placemaking
- Under purpose there is nothing about outcomes and in particular forming recommendations in accordance with the Development plan and other relevant material considerations
- Under **Implementation of planning legislative matters** a lot of the requirements would appear to be above the remit for a planning officer?

Enforcement and Trees Team Leader

- Under Purpose there is nothing about outcomes, or about forming recommendations having regard to Planning legislation and the provisions of the Development Plan, in so far as they are material, and other relevant material considerations unless material considerations indicate otherwise.
- Under External and Internal Contacts reference should also be made to statutory consultees
- Under **Other Considerations** it would be helpful to include out of hours site visits and investigations
- Under **Responsible for the processing of planning enforcement investigations and tree works applications** reference is made to 'Evaluating and making recommendations on complex casework having regard to all material considerations'. It would be helpful to specifically reference the development plan.
- With regard to prosecutions the Court work should include High Court attendance for injunctive action
- Under **Essential Experience** the Development Management Team Leaders need several years' experience including complex and strategic development. It would be helpful if the same principle applied for the Enforcement and Trees Team Leader with several years' experience of complex applications and/or enforcement cases and experience of undertaking enforcement action.

Enforcement Officer

- Reference is made to the delivery of a responsive *Development Control Service*. It should refer to a Development Management service.
- The Internal and External contacts need to be reviewed.
- Other Considerations should refer to out of hours site visits

Tech Support Team leader

- Some of the references are quite dated, for example reference to banking cheques
- There is reference to validation but this activity is now carried out by Planning officers
- Reference is made to a duty officer even though we understand that this activity is no longer undertaken by the team
- Under **Management of Staff** there is no reference to 1 to 1s coaching or mentoring more junior members of the team.

Deputy Support Team Leader

- Some of the references are quite dated, for example reference to banking cheques
- There is reference to validation but this activity is now carried out by Planning officers

Recommendations:

- Review all JDs to ensure they accurately reflect the work that the grade is expected to undertake.
- Include the purpose of planning (delivery of quality place making, high quality developments, sustainable development and growth etc) in all JDs
- Include reference to delivering sustainable development in accordance with the Development Plan and other relevant material considerations
- Review the general consistency of structure; content; and cascade of purpose, outcomes, deliverables depending on role and seniority.
- Include a clear approach to Development Management performance management throughout the JDs. Refer to developing and setting individual and team KPIs; and undertaking performance management functions such as 1 to 1s, team meetings, coaching, mentoring etc.
- Review the language used in the JDs to ensure it reflects the approach to Development Management that Croydon wishes to take. In particular remove some of the 'process' language.
- Update JDs to reference the current structure e.g. so that reference is made to North and South Development Management Teams not Central
- Refer in all JDs the responsibility, at every level, to updating (or assist with updating), improving and implementing the DM Manual.
- Include other issues identified for each JD set out above

5. Officer Morale

- 5.1 The development management officers appear to be well bonded and have a collaborative and supportive work ethic for each other. There are some long serving officers who bring a depth of experience and the 'shared learning that occurs with the less experienced officers is evident. Team Leaders are very experienced and knowledgeable but are distracted by the level of complaints they need to process and need time to get 'above the parapet'.
- 5.2 The Council's financial situation, coupled with the increasing workloads has impacted staff morale. Officers perceive that senior leaders within the Council hold 'Planning', as a department, to account for any and all complaints related to the built environment, with a perception that officers must be at fault until proved otherwise; and this leads to a lack of feeling valued as council employees.
- 5.3 Officers provided experiences of working late hours and weekends to keep on top of workloads. We also heard that officers have had negotiations within their teams as to who can next take time off with stress so as not to impact the remaining officers too much. This is clearly unsustainable and potentially impacts wellbeing of officers in the longer term.
- 5.4 Issues of staff morale will be considered in greater depth through the Peer Challenge where there will be an opportunity to speak to a wider selection of staff.

Recommendations

- Dedicated time should be given to staff share experiences and problem solve, as well as providing a safe space for voicing concerns. This should be done at a variety of scales. Croydon should programme in a whole department away-day focussed on staff morale and specifically the journey of improvement being undertaken. In addition, time within the Development

Management Teams meetings should facilitate a discussion on staff morale and current issues. It is important time is dedicated to staff morale and wellbeing and this should be set aside from business as usual.

- A programme of mentoring should be introduced to encourage peer to peer learning across all levels of the department.

6. Pre-applications and PPAs

- 6.1 The Pre applications advice appears to be well differentiated and explained on the website and particularly in the customer advice note. It directs the customer to the anticipated best service for their type and scale of development. Croydon was recognised by the Farrell Review 2013 as best practice in proactive town planning and placemaking- fully embracing pre-application engagement at all levels.
- 6.2 We were told that Croydon provides a comprehensive pre-application and PPA offer within the Planning service using the knowledge and expertise of Strategic Planning and Strategic Transport to support the case officer in forming their response. Therefore the resources needed to support the pre-application and PPA service on offer by Croydon reach beyond the capacity of the Development Management teams.
- 6.3 The Development Team Service (DTS) for the largest and most complex applications directs developers toward Planning Performance Agreements (PPAs). The DTS is intended to speed up the planning process and give greater certainty to the developer. The PPA fee for pre app and post decision will be negotiated. The costs for meetings is set out, therefore the overall cost of the pre app can be assessed based on the number of meetings identified at the inception meeting (£4500 (+ VAT)). The note is very clear about the payment of fees. There is also a dedicated officer service, and it clearly states that the additional cost of this will be met by the applicant and set out in the PPA. Clear expectations of both parties are set out and realistic caveats given e.g., external statutory consultees and probity issues regarding Councillors. The Planning Code of Good Practice clearly sets out the procedures for Members and officers to follow in relation to Pre application meetings. The advice is also clear that applicants, for some of the most complex projects, may seek meetings with senior Council officers prior to formal engagement and that these will be free but will not discuss the planning merits of the proposed development. There is a clear expectation that major, complex and sensitive development will undertake a Place Review. Also, any applications where there is doubt if an application will be determined in the statutory timescales there is an expectation that the applicant will enter into a PPA.
- 6.4 In addition to the Pre-application and PPA service, there is also a range of services to meet the circumstances including: amendments, discharge of conditions and a post decision (refusal) service, all of which meet the needs of the customer at different stages e.g. the post decision service recognises a group of customers that may be dissatisfied with the decision based on advice they have previously received and gives them an avenue to pursue.
- 6.5 The PPA/Pre-application service seems to be a very clear and comprehensive. However, at present, with resourcing issues and a backlog of applications, it is not functioning as it should. There is concern that although pre application services are available it is not possible to deliver the service offered in a timely fashion due to the lack of resources. This is likely to severely undermine confidence in these services and the Planning Service as a whole. Officers used to

do Pre-application responses in 10 days and now take an average of 3 months, therefore, developers are often not willing to wait for this service.

- 6.6 If it is not possible to resource the pre-application services, and sufficient staffing is not in place to meet customer expectations, it is inadvisable to still offer the same service. However, the lack of any pre-application services is likely to lengthen the determination time for live applications and reduce the quality of outcomes. It can lead to poorer quality applications and developments, more refusals, more appeals and, in the longer term, the need for more resources and greater costs. It will also impact on the ability for Croydon to secure the discretionary income it needs for meet budget targets. Therefore, recruiting additional staffing resources at the appropriately experienced level to undertake this pre-application and PPA services is essential to maintain development quality, speed of determination of applications and to minimise appeals. It is recommended, where possible, to invest in permanent posts rather than temporary staff or consultants, as it would be more cost effective and provide more resilience and stability to the service.

Recommendations

- As Part of Croydon's Resource Review assess the resourcing requirement (skills, experience, and quantity) to effectively resource pre-application and PPA services and the amount of income that can be achieved.
- Join the PAS pre-application / PPA network that is being established as part of the 2022/23 PAS work programme. This will allow Croydon to draw upon good practice and share learning with other similarly sized Councils.

7. Registration and validation

- 7.1 Croydon has a very comprehensive set of process notes that are clear to understand and follow a very logical order. There is also a good use of Uniform IDOX to maximise the use of IT to manage and streamline the processes. According to Croydon's own figures there is an excellent take up of the Planning Portal to simplify the registration process (98-99%). The DM Manual is also used to good effect e.g. through the use of template descriptions.
- 7.2 Croydon has consciously learnt from other Councils to change the way that validation takes place to better meet customer service feedback. This has involved taking large parts of the validation process away from the Technical Support Team and empowering the case officer to take early ownership of validation and to work with the applicant to avoid minimal multiple handling of the decision-making process. This way of work does work very effectively in many Councils and has nationally received very positive feedback from applicants.
- 7.3 Unfortunately in Croydon's case the changes in validation have not been a success. Whilst under the management of Tech Support, validation was a quick process and we are told it was usually achieved in 5 working days. There are now substantial delays and it is now not uncommon for validation to take 4-6 weeks.
- 7.4 The reasons for the decline in performance is primarily due to a lack of staff to undertake the work so that a case officer's time is being split between reducing the backlog and validating new applications. If a case officer is overwhelmed by cases it is not surprising that they do not prioritising the validation of new applications. However, there are other issues with validation that appear to be slowing down the process and these are listed below:

- There is a new local validation list, officers have stated that developers and residents' associations have been informed and detailed comments have been received but not responded to. We are told that the Team Leaders are not currently in a position to progress this work due to other staff shortages.
- IDOX Enterprise appears to only be used by planning officers and so there is double handling with Tech Support using spreadsheets to identify applications that need allocation
- We are told that applications are not always validated sequentially and pressure is put on case officers to fast track some applications
- The allocation of applications is being slowed down by management capacity to find the time for allocating
- The digitisation of old applications is not complete, so reliance is sometimes needed to use microfiche or paper files to complete site histories
- Anecdotally we are also told that the use of case officers to validate applications results in a mini pre-application service with applicants that further delays validation and results in a loss of income that could have been achieved through pre-applications.

7.5 If caseloads were manageable for officers then the current system of validation could provide best practice for the Council and the customers. However, it is clearly not working at present and so changes are needed, even if this is only on a temporary basis. The current system is causing stress on the case officers who are not providing a good service, creating frustration with Tech Support who have to wait for weeks before an application can go live and creating a loss of confidence in the Planning service from applicants.

7.6 We have also been told about IT failures that are seriously hindering the smooth validation processes and creating additional work for planning officers. The review has not researched this matter in detail due to time constraints but it will be considered further through the peer challenge.

Recommendations

- For a temporary period of time revert the validation of planning applications back to the Technical Support Team (following recruitment and training) to free up planning officer time to assess planning applications. This will require additional resources in the Technical Support Team.
- Hold a workshop session with officers and Tech Support as part of recommendation above to help break the cycle of delays in validation
- Provide the necessary technical support to ensure that the Enterprise system is set up to allow allocation of applications to take place without the use of alternative systems
- Use the agents forum to help agents and Planning team to work together and jointly own the performance issues.

8. Consultees

8.1 We are told that there have been issues with consultees not responding in a timely way which has a detrimental effect on Planning Officers not being able to determine application in a timely way. In assessing the ability of the Development Management service to maintain speed and quality of service, it is important that consultees provide timely and quality inputs. Evidence suggests there is a mixed picture, with many consultees also struggling with resources and therefore unable to feed into the assessment in a timely manner.

8.2 The following comments were received by the officers interviewed in relation to consultees:

Ecologist – This input is outsourced to Essex County Council Place Services

LLFA (SUDs and Drainage) – A company, Arcadis, is employed by the Highways Directorate to provide the LLFA function. Written comments are only provided for major applications. There is standing advice for non-major applications. There has been training provided. However, comments are often needed for minor applications, particularly in areas of intensification and incremental issues. We understand this is a particularly significant concern for the public.

Environment Health (Contaminated land, noise etc) - Planning has a good relationship with Environmental Health but there is a lack of resources (finance cuts) and no service was available for the latter part of 2021/22. The Environmental Health service ran out of money and therefore it was not possible to provide a service without running over budget. Environmental Health is due to resume consultations in the new financial year (April 22).

Highways – there are major resource issues with only 2 officers available at the time of undertaking this review. This has caused a significant issue with their ability to comment on applications particularly in relation to the discharge of the construction logistic conditions.

Strategic Transport – Development Management provides funding for 2 Strategic Transport officers to allow capacity to comment on applications.

Waste –we understand that officers rarely respond on waste matters. There is policy document- Waste and Recycling in Planning Policy Document August 2015 – edited 2018.

https://www.croydon.gov.uk/sites/default/files/Bins%20and%20recycling/New_build_guidance.pdf

Built Conservation (Spatial Planning) – There is a lead conservation officer available and a vacant assistant post at the time of the review. We understand that since the review this post has been recruited to.

Placemaking (Spatial Planning) –There has been a reduced response due to vacancies and cuts, so comments are only provided for major applications (they previously commented on select intensification schemes). Development Management provides funding for 2 Placemaking Officers.

The Senior Affordable Housing Enabling Officer (Spatial Planning) -the officer provides advice and is in contact with registered providers but, unlike other London Boroughs, is not able to comment on viability. Therefore, the Council uses a range of consultants for viability advice. However we understand that this post is currently vacant due to budget constraints and this is putting further pressure on the Development Management teams.

Bio diversity net gain – There was no in-house expertise available at the time of the review.

Legal support

We understand that there are a number of issues with the provision of legal advice and these are summarised below:

- there is a lack of flexibility as all advice needs to go through the ‘portal’;
- There is very limited in-house resource (until recently a 60% of an FTE) resulting in sending out legal advice requests,
- externalising requests have been slow due to the requirement to gain approval from the ‘spend control panel’. This has improved as an overall sum has been provided – but only

issue based advice can be sought not site specific. This must have a significant degree of risk as it is often site specific details that are key to the legal approach and it makes it more difficult to ask the correct question.

- The externalising of advice is expensive
- various personnel changes at Planning Committee has confused some of the roles taken by the legal officer and the Planning managers
- There was no pre committee advice on planning committee reports –Until March 2022 legal services would only being involved at a very late stage – pre meeting 1 hour before committee.

8.3 The legal advice position has now changed (post March 2022) and the external legal resource attends committee and are briefed on the agenda in the week running up to the committee but not prior to the agenda being published

Recommendations

- The issue of consultee resourcing and the knock-on effect it has on planning needs to be addressed in the service and corporately to ensure pre-application responses and applications can be efficiently assessed and determined.
- Consider the costs and benefit in relation to employing an in-house viability expert and whether recruiting to the Senior Affordable Housing Enabling Officer post could be beneficial as an income generating post.
- Investigate the increase of internal planning solicitor resource (and a clear long term approach to external legal support) that can be more accessible and timely to ensure robust decision making.

9. Scheme of delegation and Planning Committee code

- 9.1 Croydon's scheme of delegation and code for Planning Committee is generally very comprehensive and easy to understand. Indeed, in many respects it should be considered as best practice for other Councils to follow. There are a few points listed below that may be helpful at the next review as the current scheme of delegation and code appears to date from 2016/17.
- 9.2 Referrals relating to residents' associations appear only to relate to objections rather than matters contrary to officer recommendation. This assumes that applications only need a Planning Committee referral if there are objections. However, this is not always the case and in certain circumstances applications recommended for refusal may be supported.
- 9.3 The decision on who will speak is potentially contentious as the Chair makes final decision on his / her judgement.
- 9.4 There is limited guidance on enforcement and this could be strengthened.
- 9.5 The provision for training could be clearer. It refers to the introduction training but what about renewal? In theory under the code a Member could just attend once and then not attend any more training events during their tenure on Planning Committee.
- 9.6 It is unclear on the roles of officers at Planning Committee e.g. Legal, Lead Officer and Democratic support.

- 9.7 There is confusion on when Planning Sub Committee items get delegated to officers. This was evident at the 27/1/22 Planning Committee.

Recommendations

- Review some of the existing wording in the procedures and code where there could be potential problems. These include:
 1. Consider whether referrals should relate to matters contrary to officer recommendation rather than just objections
 2. Consider an alternative way of agreeing who speaks when multiple requests are made
 3. Consider if there should be refresh training for longer serving Members or compulsory annual training
 4. Review the enforcement section
 5. Need to review procedures for Planning Sub Committee when time runs out at full Planning Committee to consider the items.

- Consider having the following additional sections including:
 1. Clarify roles that the Lead Officer, Legal Officer and Democratic Support Officer should take during the Committee
 2. Provide guidance on complaints procedure and reference to Local Government Ombudsman and Judicial Review
 3. With regard to Member applications define a close relative
 4. Outline provisions for dealing with S106 amendments
 5. Set out the different referral routes in a summary table to make it easier to understand
 6. Include guidance on private interests separate from Disclosable Pecuniary interests
 7. Include a reference to allowing officers to point out any potential costs issues if Members are voting against an officer recommendation
 8. Include a monitoring and review section e.g. reviewing decisions of Committee, annual site visit as learning an reflection

10. Quality of officer reports

- 10.1 Croydon's officer reports, both delegated and those for planning committee, are generally very comprehensive and easy to understand. Indeed, in many respects it should be considered as best practice for other Councils to follow.
- 10.2 The reports viewed have clear upfront information on key facts e.g. housing numbers, car parking etc and clear summaries of the conditions including trigger points.
- 10.3 The sample of delegated reports reviewed are well structured and lay out the relevant policy and material considerations in an easy-to-follow manner. They follow a standard format of headings:
 1. Summary
 2. Decision
 3. Planning Background
 4. Consultation
 5. Planning Considerations
 6. Other Matters

7. Conclusion

- 10.4 There were minor differences in the terminology of headings e.g. Planning Considerations, Material Considerations etc.. Whilst these minor differences do not substantively affect the content and flow of the reports it may be worth introducing a standardised template to tighten up the reports further.
- 10.5 The style, conciseness and good use of diagrams throughout the reports is particularly helpful when it comes to Planning Committee where officers are able to guide Members through the report. This enables Committee discussion to focus on the merits of the scheme rather than multiple questions on technical matters as they are all contained within the report.
- 10.6 Reports include a discussion of the planning considerations, however they current lack a dedicated section to the relevant development policies. The Croydon Local Plan Review is due to be shortly submitted to the SoS for examination and as such will gain weight as a material consideration until its adoption as part of the development plan for the area. We recommend that reports begin to reference relevant emerging policies, in so far as they are pertinent to the application. This is likely to be more relevant for major schemes which may reflect growth locations within the emerging plan.
- 10.7 It would also be helpful to have statements on: Human Rights, Equality Act and Financial considerations. These statements will help the Council defend any potential allegations on bias or Council interests.

Use of conditions

- 10.8 Croydon's officer reports, both delegated and those for planning committee, are generally very comprehensive and the recommended conditions are easy to understand in terms of why they have been recommended and their purpose of mitigating harm where necessary. The conditions reviewed all meet the tests of reasonableness and legality. Indeed, in many respects it should be considered as best practice for other Councils to follow.

Recommendations

- Introduce a standardised template for section headings
- Include a section within reports that reference relevant emerging policies and how they apply to the development as material considerations.
- Include within Reports statements on: Human Rights, Equality Act and Financial considerations.

11. Enforcement Practices

- 11.1 The Planning Enforcement Plan 2017 is Croydon's Enforcement Policy. It sets out two priorities for site visits and service standards. The courses of action are helpfully set out and it includes information on cases where retrospective applications have been requested and not submitted. In these cases, there is opportunity for comment, a report and recommendation. It is undertaken in a similar way to a planning application.
- 11.2 The plan states that the Enforcement service will prepare quarterly update reports on progress and outcomes in relation to higher profile and significant planning enforcement

investigations which will be published on the Councils website from time to time. These reports have not been produced.

11.3 Croydon also has a Planning Advice Note (8)- How Planning Regulations are Enforced. It is referred to in the Enforcement plan, but the relationship between the documents is unclear. We question why this Advice Note is necessary and why reference is not simply made to the Planning Enforcement Plan.

11.4 When Croydon experienced budget cuts 1.2 FTE posts were lost. There had been 6 officers, but this was reduced to 4.8 officer and then 3 staff left the Council. The Enforcement Team Leader, more recently, has left the Council. Now out of 4.8 posts there are 4 permanent officers. At the time of the review the temporary enforcement officer was absent. At the time of the review there were 160 enforcement cases per officer with an additional 300 cases unallocated. This is an extremely high case load. Officers have a good resolution rate but the Development Management Manager was need to show more formal action (DM Manager comment)

Formal Action

11.5 In the year to December 2021 Croydon served 2 Breach of Condition Notices and 1 Planning Contravention Notice. This was less than in previous years. However, there has been a reducing amount of enforcement action since December 2017. Croydon takes a very low number of enforcement cases to formal action in comparison to most other London Boroughs.

CROYDON Enforcement Formal Action Year ending December

DLUHC -Table 130

Year ending	Enforcement notices issued	Breach of condition notices served	Planning contravention notices served
Dec-21	-	2	1
Dec-20	2	2	1
Dec-19	3	2	-
Dec-18	5	-	-
Dec-17	7	3	1

Recommendations

- Employ additional temporary staff to increase resources to enable the Enforcement backlog to be reviewed and reduced
- Review procedures for taking formal action by benchmarking against other London Boroughs
- Review enforcement reporting so that it is given greater exposure to Members and senior officer

12. Customer service and communication

- 12.1 We are told that officers at a senior level have concerns at the number of complaints that are directed to the planning service even though most find that the Council is not at fault. There are a large number of complaints received and there are a large number of unresolved complaints and it is clear that the Service is struggling to respond.
- 12.2 Recently there have been four threats of Judicial Review. And recently one Judicial Review was upheld in relation to a s73 and s73A issue. Development Management Managers are using 'Cobra' meeting to learn from this case and inform procedure notes.
- 12.3 The Council Complaints Report (21/02/22) identified that Planning had 11 complaints cases with 7 overdue and Enforcement had 5 case, 3 of which were overdue. This is the highest number of complaints of any service except Refuse and Recycling (54). The oldest planning complaint dates back to September 2020. There are also a significant number of Councillor and MP enquiries that are late and dating back a considerable period (e.g. MP enquiry to Planning Technical support – 19/10/20). This lack of response is likely to harm the Planning Service's reputation.
- 12.4 It is not possible on the information available to ascertain the nature of the complaints.
- 12.5 There have also been 23 compliments since the beginning of 2021, mainly on professionalism and support with applications, speed and quality of service.
- 12.6 The most recent Complaints report (June 22) that we were sent – identifies 26 stage 1 complaints, 2 stage 2 complaints; 12 MP enquiries; and 2 mayor enquiries. It is not possible to ascertain the reasons for the complaints from the reporting. 5 compliments were received since the beginning of 2022.
- 12.7 Criticisms of Planning is very visible on social media with a small number of very vocal complainants raising issues about individual members of staff that are very personal.
- 12.8 Clearly the department has been successful with communicating with agents through an agents forum and it is positive that these meetings have returned following a temporary suspension due to Covid. This is a really important channel of communication with the department on Development Management matters.
- 12.9 There is evidence that officers are trying to improve communication on planning applications by sending neighbour letters as well as posting site notices. It is unclear whether this improves communication with customers. Whilst we were undertaking the review a number of issues were brought to our attention where neighbour letters had been missed putting the planning decision making process potentially at risk.
- 12.10 The issue of customer satisfaction will be investigated in more detail in the Peer Challenge.

Recommendations

- Consider a better process for managing the complaints received that identifies the most appropriate level within the organisation where a response should be made and an administrative process for ensuring that complaints are responded to on time. This could include better communication on the Council's website to indicate what matters can be considered as complaints and what matters are outside the scope of the Council's jurisdiction.

- Introduce a more formalised learning through experience process so that lessons can be learnt on all areas of Planning including a celebration of things that have gone well and where officers have been praised.
- Work with the communications team to establish approaches to counter negative media coverage and celebrate good stories
- Review the effectiveness of neighbour letters rather than reliance on site notices. If neighbour letters are still required then review the process notes to ensure that the process is robust

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Planning Peer Challenge

Croydon Council

21st to 23rd June 2022

Feedback Report

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1. Executive summary

- 1.1 This report summarises the findings of a Peer Challenge review of the Planning Service at Croydon Council. The review was organised at the request of Croydon by the Local Government Association (LGA) with the Planning Advisory Service (PAS) and undertaken on site by its trained councillor and officer peers.
- 1.2 Croydon Council is going through a time of political change and is delivering its Planning service against a backdrop of significant financial constraint. At the same time the service is experiencing an increase in planning applications, difficulties in recruitment and a high level of public scrutiny. Despite these constraints the service is managing to deliver best practice in some areas, as well as a strong commitment to working with its communities and developers to improve the service.
- 1.3 However, the Council's ability to deliver a Planning service is close to breaking point. The service is at a very significant crossroads; if improvements do not take place urgently then the Council will not be able to manage an effective Planning service. This will have enormous implications for everyone who uses and benefits from the Planning service at Croydon. The Planning service needs an improvement plan that is focused on meeting the needs of Croydon residents, the development community, the political administration and the staff who are employed in the Planning service. It will not be a success unless all these players are included.
- 1.4 The peer team found a group of very professional and knowledgeable staff who are clearly capable of meeting the Planning challenges in Croydon. However, workforce reductions in recent years have resulted in workloads for individual staff that are unmanageable and this is having an impact on staff wellbeing. It is essential that staff wellbeing issues are addressed and that staff are properly supported both in terms of workload and from pressures that they receive from applicants and the wider community. Croydon's Planning service is only as good as the staff who work in the team and so it is important that staff retain the motivation to do a good job and are valued.
- 1.5 There are some real positives that can be built upon. Councillors recognise that they are on a learning journey with officers. Councillors understand how they can benefit from further training, benchmarking with other councils, and mentoring so that the Council's strategic priorities can be delivered through sound and defensible policy making and decision making. In the same way, Croydon has a team of very dedicated managers and officers who are highly professional and knowledgeable.
- 1.6 The review of the Local Plan is making very effective and significant progress. Croydon also has a good track record of adopting and delivering local plans and in policy making generally. There is clearly a need to review the policy direction following the change in political administration. This needs to be undertaken in a collaborative way to avoid significant delays in the plan making process and subsequent potential unintended consequences of reduced local decision-making powers.

- 1.7 The decision to both review the Local Plan and to revoke Supplementary Planning Document 2 (SPD2) is a significant one. The peer team understand one of the key drivers for revoking SPD2 is to address the unpopular policy on suburban intensification and to address community concerns on the impacts of the guidance on the character of the area. The peer team considers it is really important that an appropriate replacement to SPD2 is progressed as a matter of urgency as set out in the Cabinet report of 22nd June 2022 to ensure there is continued consistent decision-making.
- 1.8 There are a number of quick wins that can be delivered to enable officers to be more efficient and meet customer needs. The current validation process is clearly not working and a decision needs to be made on the direction that the Council wishes to take to increase the speed of validation. Enforcement is also clearly not meeting community expectations. It is important that officers and councillors work together to ensure that workloads can be effectively managed, that the service clearly communicates to the wider community its priorities and sets realistic expectations of the powers the council has to enforce Planning regulations.
- 1.9 The Council is currently being significantly constrained by its ineffective IT systems. Officers are wasting valuable time working with inefficient and unreliable IT. This covers a range of software usage but there is particular concern from the peer team that the Council does not use the Uniform Planning software system to its full capabilities. The IT issues are a Council-wide problem and must be addressed corporately.
- 1.10 In order that the Planning service recovers from its current precarious position it should be on the front foot with regard to positive community engagement. The perception from many about the Planning service is of a lack of transparency, bias and inefficiencies. Evidence does not support this view, but the service has to accept that it has a job to do to change these perceptions. It could start by instigating a more effective communications strategy. There are very knowledgeable and active community associations in the borough, and a lot of social media speculation. The Council must avoid being drawn into responding to speculation, but should be more positive in its use of communications and social media. For example it could communicate how it learns from experience, how decisions are made in a transparent way, and it could agree to improve customer response rates with the users of the Planning system. It could also communicate the benefits of a quality planning service, such as providing housing, jobs and associated infrastructure, through CIL and s106 receipts. The Council needs a communication strategy to demonstrate how it will communicate positive messages and have positive engagement with the knowledgeable and active community groups.
- 1.11 It is clear that the Planning service is not the only service in the Council that is struggling for resources. The shortage of staff among the Council's key consultees for Planning applications is impacting on the ability to make Planning decisions. The peer team suggest that more focus should be given by consultees to allow the Planning team to help themselves through the use of standing advice, protocols for engagement, and improved training for Planners.
- 1.12 Whilst planning application fees are fixed nationally, pre-application and Planning Performance Agreement (PPA) fees are negotiable and when the service engages effectively in this way it is productive and appreciated by applicants. The Council needs to look at how it can maximise this income stream and the potential for it to be used to better resource the Planning service. Pre-applications are also looked at with cynicism by some in the community as a way of agreeing Planning matters 'behind closed doors'. This perception needs to be addressed and there is a great opportunity for not only increasing income but for better communicating the role of

through pre-applications and PPAs as well as selling the benefits of pre-application engagement with the wider community.

- 1.13 The Planning service also needs to be aware of changes in the Planning system that are coming forward through the Levelling Up and Regeneration Bill. Whilst the details are still being considered in Parliament, the Planning service needs to ensure that it is ready for these changes. For example, the proposed changes to the Local Plans adoption process and the digitisation programme must be factored in as part of Croydon’s plans for the Planning service.
- 1.14 The overriding issue facing the service is a lack of planners and support staff to carry out the Planning function effectively. Undoubtedly, the Planning service is under resourced. Increasing resources needs to be a primary action to avoid the Planning service breaking. However additional resources need to be coupled with a clear plan on how the Planning service will be rebuilt, drawing on the existing best practice, better engaging with its customers and changing practices where they are needed. With this clear plan the peer team considers that Croydon Council’s Planning service has every chance of providing an excellent Planning service that makes sound, timely and defensible planning decisions that meet the priorities of its communities and those wishing to invest in and deliver development in the Borough.

2. Key recommendations and findings

- 2.1 There are a number of observations and suggestions within the main section of the report. The following table summarises the key / priority recommendations and more detail can be found in the main body of the report. These recommendations need to be brought forward alongside a review of resource capacity, the Development Management process review work, councillor training and other wider corporate improvement work so that it forms part of a wider package of improvement for the Planning service.

1.	Review the Planning Service as part of a Corporate transformation/improvement Plan. The Council should be mindful of the consequences of under resourcing the service and recognising the income generation potential of Planning. A focus also needs to be given on promoting the outcomes of a good planning service – the creation of housing, jobs, infrastructure to benefit existing residents - to counter-balance the current negative view of planning.
2.	Improve the engagement with residents, partners and developers. Consider additional communications resource and a strategy to counter the negative narrative that has become the norm including Inside Croydon and embrace residents’ desire to get involved and work with Planning so that it is a positive and collaborative relationship.

3.	<p>Develop a strategy for effective engagement and communication to rebuild trust with local communities that works alongside the Plan Making engagement process. This should involve a range of initiatives that are agreed and communicated through the community networks and Member engagement and could include:</p> <ul style="list-style-type: none"> • The establishment of a learning through experience process to better understand both positive and negative community feedback so that officers can better engage with communities in the future • Carry out well publicised quick wins through improvements to the accessibility of the website and improved customer response times • Better communicating how the Council ensures transparency in decision making and other conflicts of interest • Improve communication with the development industry through a greater focus on local agents and re-inforcing the importance that is already being given to the developer forums
4.	<p>Learn from best practice elsewhere and use PAS as an option for member and officer training. In particular consider mentoring options for key councillors and officers so that they can be provided with an outlet for discussing approaches to the very significant issues that are being encountered in Croydon on a day-to-day basis. This should be coupled with a wider staff retention and development strategy including the promotion of the positives/benefits of working for Croydon and providing clear paths that allow staff to develop themselves within the organisation</p>
5.	<p>Utilise the willingness on all sides to re-set relationships and trust between officers and councillors. This should be focused in particular on:</p> <ul style="list-style-type: none"> • Working together on creating more productive and collaborative Planning Committee meetings where councillors and officers work together to make sound and defensible decisions • Working together to review the existing Planning Committee code and scheme of delegation so that the community has their right to be heard whilst still enabling the Council to meet wider requirements on speed, quality and delivery. For example, the management of the Planning Sub Committee appears to be confused for all participants in its operation • Allowing officers to work more efficiently to meet targets based on speed and customer needs • Having a better engagement with internal and external consultees and residents • Agreeing ways in which investment in the Planning service will deliver the greatest benefits
6.	<p>Empower officers and councillors to work together to review the Planning policy direction of the Council. Officers should work collaboratively with the Mayor, Cabinet, other councillors and the wider community on the Local Plan Review and future supplementary planning documents. The opportunity for a policy review will give a unique opportunity to build relationships between officers and members by finding common ground and an understanding on how Croydon’s approach can align to national and London wide policy approaches. It will also ensure that all sides understand the consequences of any policy review. Councillors should be guided by officers on how such changes can take place whilst still retaining strong decision-making powers.</p>

7.	<p>Review the Council’s approach to validation so that there is a clear understanding, rationale and messaging on Croydon’s approach to validation that provides an appropriate balance between speed and quality. Whichever approach is taken it needs to be appropriately resourced to meet Government targets on speed of decision making and customer / community expectations.</p>
8.	<p>Review the current IT investment as part of a wider transformation programme. The Council needs more efficient processes and to avoid wasteful use of officer time. In particular there needs to be a focus on the ease to which officers can access different sources of essential Planning information. IT should be used as an enabler, and the focus should be on getting the most out of the current Planning software systems (Uniform) to ensure that it meets the requirements of all users. Benchmarking with other London boroughs and beyond will greatly assist Croydon in this task and will help it improve its in-house knowledge. It should be linked to a review of the Council’s data standards and its approach to digitisation as part of the impending planning reforms. This will ensure that Croydon is aligned to national best practice and to ensure that Croydon keeps on pace with its obligations as part of the planning reforms.</p>
9.	<p>Carry out a joint initiative between councillors and officers to refocus and manage planning enforcement capacity and expectations. There needs to be clear messaging to the community on the priorities for enforcement and the level of enforcement that can be achieved with the resources available. To assist with this the Council should undertake two specific areas of work:</p> <ul style="list-style-type: none"> • Carry out a ‘blitz’ of existing cases to reduce the caseload and communicate clearly the reasons why some enforcement cases will be pursued and why others will not. • Undertake well publicised and targeted enforcement initiatives that demonstrate clear action and identifies the areas of enforcement that are being prioritised by Croydon <p>In addition, Croydon could look to other Councils who deliver a high performing enforcement service to develop tools and templates to help the efficient management of the enforcement service.</p>
10.	<p>Work more effectively with consultees to better use the resources available to deliver timely and quality advice for decision making. This should include:</p> <ul style="list-style-type: none"> • Focusing where appropriate on developing standing advice, template responses and officer training so that planning officers can make better informed decisions without the need for consultee advice in all cases • Make better use of consultation surgeries and regular catch-up meetings to ensure more timely and consistent responses are provided • Agree clear protocols on when consultee advice is needed and timescales for delivering the advice
11.	<p>Refocus pre-application and PPAs procedures to provide better service to customers and maximise income. Relevant officers should join the national PAS programme on best practice in pre apps and PPAs so that they can share best practice from Croydon as well as learning from approaches taken elsewhere in the country</p>

12.	Cultivate the excellent best practice that is already being shown with the “Cobra” officer meetings so that a clear steer is given by the senior officer management team on the approach that should be taken for strategically important development proposals. This consistent and considered messaging should be owned by the political leadership of the Council to foster improved officer / councillor relations. Cobra meetings should also be used as a way to allow more junior staff to develop their skills and understanding of the strategic direction of the Council so that future leaders can be developed and encouraged.
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3. The peer challenge approach

The Peer review team

3.1 Peer challenges are delivered by experienced elected councillor and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected based on their relevant expertise. The peers were:

- **Marilyn Smith** - Head of Planning and Assurance, Inclusive Growth, London Borough of Barking and Dagenham
- **Cllr Ian Ward** – Leader Birmingham City Council.
- **Shelly Rouse** – Principal Consultant, LGA / Planning Advisory Service.
- **Peter Ford** – Peer Challenge Manager: Principal Consultant, LGA / Planning Advisory Service

The Planning Advisory Service (PAS)

3.2 PAS is a Local Government Association (LGA) programme which is funded primarily by a grant from the Department of Levelling Up, Housing and Communities (DLUHC).

3.3 It is our principal mission to ensure that local planning authorities (LPAs) are continuously improving in their execution and delivery of planning services.

3.4 To achieve this, the PAS work programme focuses on:

- Helping local government officers and councillors to stay effective and up to date by guiding them on the implementation of the latest reforms to planning.
- Promoting a ‘sector-led’ improvement programme that encourages and facilitates local authorities to help each other through peer support and the sharing of best practice.
- Providing consultancy and peer support, designing and delivering training and learning events, and publishing a range of [resources online](#).
- Facilitating organisational change, improvement and capacity building programmes - promoting, sharing and helping implement the very latest and best ways of delivering the planning service.

3.5 PAS also delivers some of its services on a commercial basis including change and improvement programmes for individual and groups of planning authorities in England, Scotland, Wales and Northern Ireland.

Scope of the review

3.6 The scope of the review was developed following initial conversations and correspondence with Croydon Council as well as consideration of the background documents supplied to the peer team in advance of the review. These helped the peer team to shape their focus of the

peer challenge around the following five core components as they relate to the functioning of the shared planning service. The peer team feedback is presented against these five key themes.

- Vision & Leadership
- Management and resources
- Working with Members
- Community and partnerships
- Outcomes and delivery

3.7 Croydon Council also asked that PAS provide a view on the following additional areas in its considerations against the main themes listed above:

1. Analysis and evaluation of development management performance. This should include a review of the efficiency and effectiveness of decision-making arrangements in relation to speed, quality and outcomes.
2. Consideration of the effectiveness of the respective roles of officers and members in presenting and determining planning applications at the Council's Planning Committee. This will include the quality and effectiveness of the officer reports to aid decision making by Members.
3. A review of the Council's current scheme of delegation in ensuring that appropriate applications are being brought to Planning Committee for decision making. This will also look at any bottlenecks in timely decision making that the current scheme of delegation may be causing.
4. A review of how the Council manages post decision matters in terms of processes and staff resources. In particular this relates to the management of the enforcement processes within the Council.
5. Consideration of the effectiveness of the Council's current response to complaints about the Development Management service and strategies that the Council may want to employ to reduce both the volume of complaints and the resources taken to deal with individual complaints.
6. Consideration of the current structures to meet the volume and type of Development Management work carried out by the Council

3.8 Some of the matters outlined in para.3.7 are detailed in nature and therefore the Peer Challenge forms part of a package of support that PAS is currently providing for Croydon. PAS is also preparing a Development Management process review that is looking in greater detail at Development Management performance and the processes and procedures followed by Croydon to deliver its Development Management function. On 20th June 2022 PAS also delivered a training session to the Croydon Planning Committee looking at defensible decision making.

The peer challenge process

3.9 Peer challenges are improvement focused and it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals or to undertake a forensic analysis of services. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and reviewed this through a strategic lens. The Peer challenge has been designed to add value to a council's own performance and improvement plans.

- 3.10 The peer team prepared by reviewing a range of documents and information, including a position statement prepared by Croydon, to ensure they were familiar with the planning service and the challenges it is facing.
- 3.11 The team carried out the core of the review onsite over 3 days. As well as in-person, some meetings were held virtually before, during and after the onsite review. During this time the team gathered information and views from approximately 60 people, in addition to further research and reading.
- 3.12 This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government members and officers. By its nature, the review represents a snapshot in time. The peer team appreciate that some of the feedback in this report may touch on things that Croydon is already addressing and progressing.
- 3.13 The peer team has presented a verbal summary of this report and recommendations to an audience made up of those that took part in / were interviewed as part of the review.
- 3.14 The peer team would like to thank councillors, staff, community representatives, customers and partners for their open, honest and constructive responses during the review process. All information collected is on a non-attributable basis. The team was made to feel very welcome and would especially like to mention the invaluable assistance and excellent onsite support.

4. Context and background

- 4.1 The Peer Challenge was undertaken against the context of the recent financial constraints imposed on the Council. In October 2020 Croydon Council issued a S114 Notice setting out that it was unable to set a balanced budget. As a result the Croydon Renewal Plan was commissioned in November 2020 that set out a financial recovery plan to help the Authority take the first steps to becoming an efficient, effective and financially sustainable Council.
- 4.2 The Croydon Renewal Plan assisted in the discussions with Central Government to secure the Capitalisation Direction from Central Government with an aim to the Council setting a balanced budget within 3 years. Croydon also has an Improvement and Assurance Board in place to provide assurance to Government and the people of Croydon on the implementing of the changes required.
- 4.3 As a result of the Council's precarious financial situation the Council made 15% cuts to the staffing establishment in June 2020, which resulted in a reduction of 5 posts across the grades in the Development Management team. In addition to this, the team was also required to let their remaining 4 contractors go with no notice period. This reduction in resource was in addition to the 2017 restructure with savings made from the reduction of technical support post and an enforcement post.
- 4.4 Prior to the May 2022 elections the Council had a Leader and Cabinet model and was under a Labour administration. Following a referendum in Autumn 2021 Croydon residents voted to change to a directly elected Mayor model in a governance referendum to determine how the council will be run. In May 2022 the elections were held to elect Croydon's first directly elected Executive Mayor and Ward Councillor elections. The election results returned Jason Perry (Conservative) as Croydon's first directly elected Executive Mayor, and the ward councillor elections (and the subsequent by election at the end of June 2022) returned a politically balanced council of 34 Labour, 33 Conservative, 2 Green and 1 Liberal Democrat councillors.
- 4.5 Planning policy development is led by the Plan Making Team – Spatial Planning and the Council currently has an up-to-date development plan for the plan period up to 2036 comprising the:

- Croydon Local Plan 2018
- South London Waste Plan 2012
- The London Plan 2021

4.6 The Croydon Local Plan was prepared and adopted under the previous administration. The Spatial Planning Service was in the process of undertaking a partial review of the Local Plan following the adoption of the London Plan in 2021. The Local Plan partial review had been out to consultation at Regulation 18 and Regulation 19. The partial review of the Local Plan has been paused due to the political commitments made by the Mayor, new administration and a new Local Plan Review programme will be published in due course. The Mayor made a political commitment to revoke the Croydon Suburban Design Guide – Supplementary Planning Document (SPD2) and the SPD was revoked by the Council on 25th July 2022.

5. Vision and leadership

Leadership in the Planning Service

- 5.1 There are many strengths that can be seen in the way that the Planning service is led. Managers are clearly dedicated to providing a good Planning service for Croydon and this is replicated by a group of officers who work tirelessly to do the best job they can with the limited resources available. Clearly this is appreciated by some within the development industry and the peer team heard comments such as “Croydon has really dedicated officers who work well with us”
- 5.2 Through the Development Management process review work the team observed some excellent procedures in place that could be held up as best practice. For example, the officer reports are very well written with detailed analysis of the issues that are related to policy and well-informed recommendations that reach logical conclusions. The Development Management internal manual is very comprehensive and easy to understand, making it an essential compendium of processes for both new and more experienced staff to follow.
- 5.3 However the service is currently firefighting and losing. There is a feeling that the service is at the point of breaking and staff have developed a siege mentality brought on by the overriding pressure of high workloads. They have no headspace for finding solutions to the current predicament – any attempt to discuss solutions is met by the mantra “I haven’t got time!”. This situation is not limited to the planning service but is endemic across the Council. As a consequence there is a tendency for staff to be insular in their day-to-day work that is indicative of work pressures.
- 5.4 There is an urgent need for senior managers to step back and take a strategic approach to increasing resources and how to make the best use of currently available resources to improve efficiency across the service. In summary, Croydon’s planning service needs an Improvement Plan. There is a clear lack of staff resources in the planning service and elsewhere among services that support Planning. To avoid the service breaking there needs to be more resources put into the service alongside improved efficiencies. Both are needed and one cannot be effective without the other.

Leadership and decision making at Planning Committee

- 5.5 The new Planning Committee is still establishing itself and it is perhaps a little premature to assess its effectiveness after only one Committee meeting (held on 16th June 2022). In discussions with Members of the new Committee it is clear that they are keen to learn from officers, each other and best practice elsewhere. They are committed to ongoing training and that it should include Ward councillors. This is perhaps illustrated by the good turnout and engagement of Members at the Planning Committee training led by PAS on 20th June 2022. It

is very encouraging to learn that the Chair of the new Planning Committee would like to use the offer of an [LGA mentor](#) as part of his own commitment to continuous learning and aspiring to best practice.

- 5.6 At the Planning Committee that the team observed there was a clear reluctance from councillors to support the officer recommendations on all four applications considered at the Committee because of the mistrust of some councillors to the guidance set out in SPD2 and the weight that officers attributed to the material planning considerations (see also see section under Leadership in Planning Policy below). As a new Planning Committee there is now the ideal opportunity for officers and councillors to work together in rebuilding mutual trust and improve the operation of the Planning Committee.
- 5.7 The peer team found the relationship between the main Planning Committee and the Planning Sub Committee particularly confusing. The scheme of delegation is set up so that applications of a smaller scale are dealt with by the Planning Sub Committee at the end of the Planning Committee meeting and this avoids the full Planning Committee having to deal with all planning application items. However, the peer team observed that the Planning Sub Committee was placed at the end of a very long Planning Committee meeting with a cut off time for business to be completed. If all the business of the Planning Sub Committee is not completed within this time the item is delegated to officers. Therefore, interested parties to a minor development might have to wait many hours for their item to be heard only to find, as was the case with the Committee the peer team attended, that the item was simply deferred to officers and not debated by the Committee. This would appear very unfair to all parties and sends the wrong message when Croydon Council is clearly trying to demonstrate inclusive leadership across the political parties that should result in open and transparent decision making.

[Leadership in Planning policy](#)

- 5.8 The new political leadership has expressed a clear desire to amend a key part of Croydon's existing policy framework and this relates to the policy of intensification previously outlined in SPD2. This has now resulted in a Council decision to revoke SPD2 so that issues of design and character can be given greater priority to matters surrounding intensification. Whilst there are clear political disagreements on the value of the policy on intensification (including as set out in Policy H2 of the London Plan 2021) it is notable that candidates from both Labour and Conservative at the recent Mayoral election recognised the need to change the current SPD2 guidance.
- 5.9 In order for this policy change to be made the Council needs a clear strategy on its response to the London Plan and how it will enact these changes whilst also maintaining sound and consistent decision making. The revocation of SPD2 by the Council has also instigated the production of a residential extensions and alterations SPD and it is acknowledged design guidance will be required in due course linked to the Local Plan Review programme. However, the peer team was told by both officers and councillors that they were concerned about the soundness of decision-making relating to intensification in the short term while the SPD is being reviewed.
- 5.10 The revocation of SPD2 is a major opportunity for the mayor, councillors and officers to come together to rebuild trust and ensure that SPD2's replacement creates confidence in sound decision-making that has the support of the wider community. It also creates the opportunity to de-politicise Planning through strong cross-party leadership led by a Mayor who can foster co-operation and identify common ground.

- 5.11 With regard to Planning policy direction Croydon must be careful not to let areas of disagreement with the current Local Plan 2018 and Local Plan Review overshadow the many areas where there is already agreement. Croydon has an excellent record of Planning policy making and the current Local Plan has reached Regulation 19 consultation stage. It is really important that the need to review does not send the Local Plan process back to Regulation 18 stage which will add a significant period of time / delay to the plan making timetable. Until the Local Plan is adopted there is a potential for Local Plan 2018 policy to become dated – a lack of up-to-date policies which affects the independence of the decision making of the Council. This may have unintended consequences for delivering and achieving the development outcomes that the Council desires. When there is a dated policy context more reliance will be given to the London Plan and to the National Planning Policy Framework (NPPF) national policy.
- 5.12 In the same way SPD2 is clearly considered by the ruling administration as not being fit for purpose and this has now been confirmed through a Council decision. It is important that the Council agrees how the guidance in SPD2 needs to change and ensure that the right guidance is in place that balances the need for housing delivery against qualitative issues such as character, design and densities. The statutory requirements for the adoption of supplementary planning documents is likely to change through the Levelling Up and Regeneration Bill with the requirement for an independent examination. This will inevitably extend the process of adopting future supplementary planning documents if the Bill is passed as currently worded. Officers, councillors and the wider community need to work together on achieving the objectives in revoking SPD2 and need clarity of expectations, beyond the recommendations set out in the report to Council on 22nd June 2022 regarding the revocation of SPD2.

6. Management and resources

Quality and quantity of staff

- 6.1 The Planning service has many excellent staff who are extremely knowledgeable, act very professionally and are clearly committed to providing the best service they can for the residents of Croydon. This was the conclusion drawn from the clear, considered advice provided at Planning Committee and the evidence from written material such as the officer reports. This level of professionalism was further borne out by feedback from some of the developers interviewed as part of the peer challenge. The peer team heard comments such as “Croydon is one of my favourite Councils to work with”. The staff structure set up also appears sound with clear lines of management and team structures in place. The peer team understands that Croydon formally had a Strategic Applications team leader who would drive the key strategic projects at the Council. Due to budget cuts the peer team understands that this post was deleted but has been reinstated within the Central Team. As Croydon has significant regeneration opportunities it is important that this dedicated resource to drive growth is retained alongside the “Cobra” management meetings.
- 6.2 Notwithstanding the positive feedback from some users of the Planning service there were also many negative comments and these largely focused on the lack of communication. This was usually levelled at response issues illustrated by comments such as “the officer never returns my call” or “there is no point in emailing because I never get a response”. Linked to this issue a clear symptom was revealed by the Development Management process review that staff are currently significantly overworked to the point that it is not only impacting on customer service but is also having an impact on the wellbeing of staff. Workloads for individual staff are

unmanageable and cannot be sustained. This was clearly acknowledged by many of those who levelled criticisms at the Planning service.

Validation process

- 6.3 Croydon has made a conscious decision to move validation from a Technical Support function to a Planning Officer function. The peer team understands that this decision was made to create a more customer focused response to validation whereby the case officer 'owns' the planning application from beginning to end. However, the peer team was also told that, due to the need for budget savings, the planned increase in resources within the Planning Officer teams to manage validation was not possible. The approach of Planning Officer validation is followed by other Councils very successfully. However, in reality it has significantly slowed the validation process from a quick (within 5 days) process to an elongated (6 weeks plus) process that is taking a significant amount of officer time (we heard up to 50 per cent of an officer's time) and causing a crippling impact on the speed of decision making. In addition, the time taken to validate severely impacts the time left for an officer to make a recommendation. The peer team understands there are currently 31 appeals because a decision was not made within the statutory time limits. This in turn causes more work for the officers by having to deal with the appeals.
- 6.4 The validation process is therefore not now meeting customer service expectations, resource efficiencies or timeliness and it must be reviewed as part of the wider review of the Planning service. More detail on validation is covered in the separate PAS Development Management process review report.

Use of IT resources

- 6.5 The peer team heard that one of the major inefficiencies identified in the Planning service was in the use of IT. Case officers told the peer team that they had to go to a number of different sources to do a simple constraints search for a planning application because information is kept on different GIS sources or other separate databases. In the same way planning histories are retained on different formats with information still retained on microfiche, paper files etc. These inefficiencies are significantly increasing the time officers spend on simple searches due to the dispersed nature of the information when their workloads are already causing wellbeing issues.
- 6.6 As with most other London boroughs Croydon uses the Uniform software system to manage its planning applications. However, Croydon does not use Uniform to its full capacity. For example the project management tool known as Enterprise has been purchased but officers do not use it and use duplicate resources such as spreadsheets to manage their workload. When questioned why staff do not use Uniform to its full capacity the reason appears to be that there is a lack of knowledge among staff of the extra functions or if staff do understand it they work in other parts of the service and have insufficient time to work on the Uniform system. The peer team understands that there is a lack of knowledge and / or time to dedicate the resources to properly invest in the Uniform system.
- 6.7 It is clear that at present staff simply do not have the time to improve the IT capabilities within the Planning service and they need the support from outside the service to make the improvements they need. The service cannot afford *not* to invest in IT efficiencies and training because one of the causes for the unacceptable workloads is due to the time staff are spending on tasks that should be straightforward. The peer team considers that the only way to break out of this cycle is to invest in IT improvements and training staff as part of a wider Council

transformation programme alongside calling upon support from other London boroughs to make best use of the Uniform system.

Planning enforcement

- 6.8 Planning enforcement is a clear political priority in Croydon and the expectations of both councillors and the wider community with regard to response times and action are not being met by Planning Officers. The peer team understands that there are 4.8 Planning Enforcement Officer posts on the staff structure, but it has proved very difficult to recruit to key posts such as the Deputy Team Leader. This is causing a significant backlog of cases with each officer having over 150 cases and over 300 currently unallocated. The peer team was told that one of the main reasons for this backlog of cases is due to the number of complaints being generated over construction management and on-site problems, which need a speedy response but is currently being strained through a shortage of staff.
- 6.9 The PAS Development Management process review report provides more information about planning enforcement capacity issues. The peer team considers that the current arrangements are simply not fit for purpose and the current Enforcement Policy needs updating to address key enforcement priorities. Separate to the Council's ability to recruit more officers the peer team considers that there are two initiatives that the Council can implement to redress the clear tension over enforcement.
- 6.10 **Carry out an enforcement 'blitz'** – In order to bring the number of cases down to a manageable level officers need to take a robust approach to prioritising the existing enforcement against the existing enforcement policy. They also need to take the decision to close those cases where no further action should be taken because there is minimal harm or where there is either no breach of planning, where it is not expedient to take action or where limited public interest in taking further action. Action from this 'blitz' should be agreed with and then owned and supported by councillors and followed up with regular reports to relevant councillors on prioritisation and workloads either through a regular Planning Committee reporting mechanism or other councillor meetings.
- 6.11 **Undertake targeted enforcement initiatives** – once the 'blitz' has been carried out to remove non-cases, targeted initiatives could focus on subject areas of particular concern for Croydon where a targeted campaign could deter others from carrying out similar action. Such initiatives would be a clear demonstration of the impact of planning enforcement action and in turn reduce officer workloads in the longer term. It would be important that councillors are involved in the prioritisation of these enforcement initiatives and work with officers to collaborative working as well as allowing councillors to understand better the process of taking appropriate and proportionate enforcement action.
- 6.12 There is the opportunity for Croydon to look to other London Boroughs to find good planning enforcement practice for learning and best practice. In particular the Council may want to seek support from [Brent](#), [Ealing](#) and [Barnet](#).

Internal consultees

- 6.13 The support provided to the Development Management process by internal consultees appears to be very variable and slow responses by some consultees are causing a bottleneck with the issuing of planning decisions. Some agents see case officers as being merely the 'post boxes' for consultees and would like to see them supported to use their skills as Planners to negotiate solutions to problems. It is important that junior staff who perhaps lack experience are

supported and given the confidence to work with consultees on finding solutions to objections or deciding when a consultee comment is critical or just desirable.

- 6.14 Lack of resources is a Council wide problem and the current financial predicament the council finds itself in means that it is unclear exactly when it will be in a position to invest in the service to address the recommendations in this report. The Council will need to come to a view whether to invest to save in the planning service bearing in mind that efficiencies alone are unlikely to halt the service from breaking. This can come from various sources. Examples include:
- Creating standing advice from specialists on the more straightforward applications so that case officers can make their own judgements;
 - Surgeries that specialists run so that verbal advice can be provided quickly on more straightforward applications; and
 - Template responses from consultees to minimise the time that specialists need to take to provide advice.
- 6.15 The peer team heard from one consultee who had considered the options outlined above and agreed that all three would significantly help with managing their workloads and performance. However, the reason for not making progress was because staff were too busy to do anything other than respond directly to planning application requests. The peer team considers that because of the work pressures internal consultees cannot afford *not* to work with the planning team and introduce improved ways of working otherwise the workload pressures will not reduce, performance will continue to be poor and staff wellbeing will suffer accordingly.
- 6.16 It is also important that case officers are given the opportunity to develop their experience and confidence in a range of specialist areas rather than having to refer to the individual specialist. The ideas outlined in para 6.14 will help give staff increased confidence to interpret standing advice provided that this is supplemented by training from the specialists concerned. The areas of expertise where this is perhaps most relevant is in assessing transport and flood risk impacts. It would also be helpful if it was clearer when reference to specialists was required and when case officers should use their own judgement, similar to the current process between Spatial Planning and Development Management. This could be in the form of a simple consultation protocol giving trigger points for consulting specialists, when reference to consultees is a statutory requirement etc. The peer team heard that the Transport Officer was consulted on 'virtually every application just in case'.
- 6.17 Support from Legal officers was raised as a concern by some of the individuals interviewed by the peer team. Due to staff cuts legal advice is largely outsourced at Croydon. Outsourcing of advice in this way is very common throughout the country, particularly in smaller Councils, and is often an appropriate response to creating savings rather than the Council employing its own Planning lawyer. However, the peer team heard that there are concerns in how the legal service is being provided for in Planning. In the peer team's experience it is usual for a Council of the size of Croydon to be able to sustain its own in-house Planning legal support. The peer team heard no criticism of the quality of service, but there were concerns expressed by a number of sources within the Planning service that the legal advice was under-resourced and the internal administrative processes were slow. Of particular concern was the lack of a consistent legal presence at Planning Committees and to support the appeals process. These two areas are critical for the efficient and effective decision making at any Council and without robust and timely advice there is a significant risk to the reputation of the Council as well as a significant financial risk.

- 6.18 Further consideration of the role of internal consultees is outlined in the Development Management process review report.

Management of complaints

- 6.19 A significant amount of senior officer time is spent on responding to formal complaints. Planning has some of the highest number of complaints within the Council and some of the poorest response rates. There are also a number of individual complainants who take up a disproportionately large amount of officer time. Due to the number of complaints received the peer team was told that this takes a very significant amount of management time, particularly for the Head of Development Management and there is an officer whose workload is almost entirely taken up with the administration of complaints.
- 6.20 The local community and stakeholders who are impacted by the Planning process in Croydon have the right to make a formal complaint if they feel aggrieved about the Planning service. However, it was noted by the peer team that the Planning team has been able to address issues raised by complainants without any significant actions required by the Local Government Ombudsman. Unfortunately, the fact that Croydon needs to dedicate so much management time and a member of staff to deal with complaints means that staff resources are being diverted to complaint handling rather than other, more positive work. Consideration on solutions to the resource issue is outlined in section 7 of this report (Community and Partnerships).

7. Community and partnerships

- 7.1 The Planning service has fostered some good relationships between individual officers and external partners as well as some community groups. The peer team heard some very complimentary comments about the professionalism and responsiveness of particular officers. Some of Croydon's major developers and statutory consultees are impressed by the professionalism of officers and their engagement in progressing Major applications to delivery stage.
- 7.2 The peer team also heard about good practice in engagement of the customers and users of the Planning service. This includes the continued operation of a local agents' forum and regular liaison with residents' groups. The peer team heard that both councillors and officers are committed to rebuilding the trust that has been lost with the local community in recent years. Officers acknowledge that engagement with local agents has deteriorated recently with a lack of communication and engagement in resolving Planning issues.
- 7.3 Notwithstanding good practice between individual officers and users of the Planning service the general feedback heard by the peer team was that relationships between the service and the local community has significantly broken down resulting in a lack of trust. To a lesser extent this has permeated into a lack of trust between officers and councillors. The peer team heard that the service needs to get the basics right - answering the phone, replying to emails, engaging with the public etc. Undoubtedly much of the problem is due to overwork leaving a lack of time to engage. It has created an atmosphere of suspicion around the Planning service where lack of communication is being perceived by some in the community as an attempt to hide poor practice and exercise bias – something that is being perpetuated by some community groups through the use of social media. The peer team found no evidence of bias and officers have a clear understanding of the Planning process working in an objective manner. However, the

circumstances they are working under as outlined above is hampering them taking a more proactive approach to addressing some of these perceptions. As a consequence, the peer team consider that the Council should give serious thought to how it communicates and engages with the public to counter the negative perspective of some media outlets in Croydon.

- 7.4 Currently individual officers in the Planning Service feel very vulnerable to personal attacks from social media and this is unacceptable for any Council employee to experience. The peer team considers that the matter needs to be addressed through a Council wide solution on support to individual employees.
- 7.4 An example of something that fosters mistrust is Croydon's policy not to publish planning application public comments on its website – something most Planning Authorities do. The reason for this is concern about data protection as the service does not have the resources to check all comments and redact issues that might breach data protection law. Some members of the public see this approach as proof that Croydon is not transparent and open about objections to planning applications.
- 7.5 The Planning service needs to (and wants to) proactively address issues of mistrust and accusations of defensiveness and rebuild trust between officers, councillors and the wider community. The positive message that the Peer team heard was that officers, councillors, local agents and residents' groups were all fully committed to building back trust and working together. This is an excellent starting point and should be embraced by all concerned. Outlined below are some of the ways the Peer team feel that this positive approach can be achieved.

Engagement with residents' associations

- 7.6 Croydon is very fortunate in having a group of very engaged, knowledgeable and active residents' groups. The Council could better engage with the established groups to help the Planning service understand the issues that the local community has with certain developments. An open and positive engagement will help developers understand local issues and better enable them to articulate how they can address the public's concerns so that the Planning Committee can make better informed decisions. There is already regular liaison between residents' associations and officers and this is an excellent start, but this can be extended. If residents' associations understand better the Council's position on planning applications, they can communicate this to their residents and work more collaboratively with the Council.
- 7.7 As outlined in paragraph 7.3 the good work of Croydon's Planning service is being undermined by informal comment and criticism. However, the peer team did not hear about the good news stories that are coming out of Croydon's Planning team. Positive news should be able to drown out negative reports if managed correctly. There could be regular reporting on such matters as:
- Progress in Planning policy making e.g. listening to residents in revoking SPD2
 - Reports on the positive decisions being made at Planning Committee - £X of value from planning decisions made, community benefits being delivered as a consequence of planning decisions, etc
 - X number of housing delivered in the borough
 - The community benefits derived from developer contributions, such as CIL and s106

Pre-applications and Planning Performance Agreements (PPAs)

- 7.8 Croydon is praised by some developers as having a very engaged PPA process whereby the Council engages effectively with developers to bring forward major developments through a collaborative PPA process. However, the peer team also heard that that pre-application engagement for smaller development proposals is often “was not worth the paper it is written on”. Once again it appears that there are good processes used by the Planning team and when it works well it is greatly appreciated. However, the implementation is variable and often stifled through lack of time and resources.
- 7.9 The inconsistent approach to pre-application engagement is impacting on income generation and performance at Croydon Council. A significant opportunity is being missed in not generating income when developers clearly are willing to pay for a good service. Agents tell the peer team that the only reason why they make pre-application enquiries is because Croydon has a policy of not negotiating on live planning applications if no pre-application is submitted, but they do not value the quality or timeliness of the advice given. However, the peer team also heard that planning applications are significantly delayed at validation stage because case officers are negotiating improvements to the quality of submissions before validating. Therefore, officers are in effect providing a pre-application service for free in some cases to improve the quality of submissions. Income in the form of PPAs can be particularly effective in generating income and the peer team heard that developers want to enter into PPAs with the Council and potentially pay for additional officer support. However, the Planning team has not been able to find the time or support for resources to support a PPA approach.
- 7.10 Best practice in pre-application engagement encourages residents’ associations to be actively involved at the pre application stage. Understandably an applicant is often reluctant to share early iterations of their plans with the wider community, but the peer team heard that there is a mistrust by councillors and residents that officers are agreeing proposals ‘behind closed doors’ and making decisions without public scrutiny. Many developers would welcome engagement with the public and councillors at the right time prior to the submission of a formal application as it helps to de-risk a project and to understand likely objections. Current resource issues at Croydon make such engagement difficult at the present time and the peer team does acknowledge that strategic schemes are presented to Planning Committee for comment at pre-application stage. However, the peer team also considers that wider community engagement should be a future objective for the planning service if it is to improve relations with the local community.
- 7.11 PAS is about to launch a national initiative to consider best practice in pre application engagement and this would be an opportunity for Croydon Planners to learn from others and develop their own best practice in pre application engagement.

Learning through experience

- 7.12 The Planning service needs a process that allows it to learn from decisions and comments made about its Planning service and Planning Committee. There are a large number of complaints but also a significant number of compliments received. Appeal decisions are another good source of learning. One way of capturing and learning from decisions made is through a structured ‘learning through experience’ process. If a complaint is made, what could the Council do better to avoid that complaint being submitted in the future? If a compliment is made to the Council, then how can that be captured so that others can learn from the good practice? If an appeal is lost then is there a weak policy that needs to be reviewed? There are examples nationally where

a focus on learning through experience has significantly reduced the number of complaints received and seen increased performance as well as staff morale. Croydon may want to use Plymouth City Council as a case study where this learning has been used effectively. PAS can provide details on request.

- 7.13 The learning through experience process could also be a good way for councillors and officers to have a positive engagement in addressing community concerns. For example, it could be a good way for councillors to understand some of the key areas for complaint by local residents and officers and councillors could work together to improve communication and potential misunderstandings.

Agents and developer forums

- 7.13 The peer team heard that local agents and developers want to engage with the Planning service but get frustrated by the lack of communication and delays in the process. Undoubtedly this is due to work pressures rather than a willingness to engage agents and developers. However, a lack of communication is a false economy. Agents work for a client who is normally an infrequent user of the Planning service. An agent can be an extremely useful link between an applicant and the Planning Officer. The agent will understand (if not always agree) why delays occur and can explain that to their client. However, if they get no communication from the Planning Officer they can only relay to their client that no response has been received and this adds to the frustration, lack of trust and deterioration in confidence in the Planning team.
- 7.14 It is positive to hear that agents' and developer forums still take place at Croydon and the peer team understand that these happen every 6 months (subject to Covid restrictions). A positive engagement with developers and agents can improve understanding and also allow agents and the Planning team to work together in improving performance as a whole, for example through better quality applications and discussion on process efficiencies. A regular programme of meetings and a clear well-managed agenda keeps things focused and away from discussing individual applications.
- 7.15 As with agents, engagement with larger developers help the Planning team improve the service it provides. Developers and agents could meet together but developers are probably better engaged in more strategic matters such as understanding the strategic issues being promoted through the Local Plan, strategic development opportunities in Croydon and other Council wide initiatives that impact on the Planning process.

Transparency

- 7.16 In order for the Planning service to rebuild trust with the local community it must be more transparent about the way decisions are made and ensure that these are made in accordance with sound Planning practice. The peer team heard that there is a clear separation between the Council acting as a developer or development sponsor and acting (through the planning service) as the statutory Planning Authority. The peer team was told that Croydon deals with these conflicts of interest when considering Planning matters through the Council's Code of Conduct. However, the peer team was also told by community representatives that this is not being communicated effectively to the public and is therefore causing a lack of trust in the Planning process. Many Councils re-inforce their code of conduct with written protocol agreements when there is a potential conflict of interest on specific development proposals. The peer team shared with the Council an example of a protocol used by Plymouth City Council to address development related conflicts of interest.

Quick wins

- 7.17 If trust between officers, councillors, applicants and the community is to be re-established, it is important that the Planning service implements some quick wins that demonstrate the Council is listening and properly engaging. The Planning team cannot do this alone as it is constrained by lack of time and resources. However, there are three suggestions that will help to quickly build back confidence and reduce the workload for officers:
1. **Website improvements** – use the website to help the wider community to find answers to their questions without the need to contact the Planning service directly. Use the website to promote the good work that is being carried out by Planning.
 2. **Improved customer response times** – make a commitment to respond within a certain period of time and in the format that the response will be given. If a response will not be given (e.g. response to a comment on a planning application) make that clear on the website. Be realistic so that the response times can be achieved and review as necessary.
 3. **Proactively reduce the planning applications backlog** - seek quick solutions for all those planning applications that have had no action for more a number of months so that caseloads can be reduced. This suggestion is developed further in the Development Management process review report.

8. Outcomes and delivery

- 8.1 The emerging and consistent theme that the peer team identified is that while the Council carries out many of its functions very well, the lack of resources means that there is no capacity to sit back, identify and implement changes that would enable it to deliver a more efficient and customer focused service. Without an increase in resources and changes in work practices it is unlikely that this position will change. Some of the impacts of this juxtaposition are outlined below with regards to delivery and outcomes.

Planning application performance

- 8.2 Croydon's performance regarding speed of decision making has been of concern during the last couple of years and the next Government assessment period on speed of decision making will be for the two years up to end of September 2022. Currently Croydon is forecast to determine 77% of its Major planning applications in time against a national minimum of target of 60%. It is forecast to determine 71% of its non-Major planning applications in time against a national minimum of target of 70%. Therefore, Croydon's performance on non-Major planning applications is of particular concern. Furthermore, these percentage figures are heavily reliant on extension of time agreements (73% of Majors and 31% of non-Majors include an extension of time agreement).
- 8.3 Perhaps of greater concern is Croydon's performance on the quality of decision making. This is assessed by the number of planning application decisions that are subsequently overturned at appeal. The government has set councils a target that no more than 10% of applications should be overturned at appeal. Currently Croydon is significantly below this 10% threshold (i.e. a good thing). However, the peer team understands that 31 planning applications have been appealed against non-determination during the last year. If this trend continues then there is a significant risk that Croydon's record at appeal could be affected with the threat of Government intervention over the quality of decision making. Since the impacts of current decisions are

normally not realised until up to two years later (due to the timescales set for raising and considering appeals) the Council needs to be very mindful of the future implications of planning decisions and delays.

- 8.4 A detailed analysis of Croydon Council's performance on speed and quality of decision making is outlined in the Development Management process review report.

Planning Committee

- 8.5 The peer team found that Croydon has a sound scheme of delegation and code of practice notwithstanding the issues raised regarding the Planning Sub Committee outlined in para. 5.7. A more detailed analysis of the scheme of delegation and code of practice is highlighted in the Development Management process review. The Planning Committee meeting on 16th June 2022 was the first under the new administration and it is perhaps unfair for the Peer Challenge to judge the performance of the Committee based on this one meeting.

- 8.6 However, the outcome of the decisions made by the Planning Committee from this first meeting was a total of four planning decisions against officer recommendation. The Planning Committee is of course perfectly entitled to go against an officer recommendation where there are clear material planning reasons. However, the decisions are likely to result in a number of Planning appeals. As a consequence, further pressure will be put on staff resources and the possibility of upheld planning decisions. The Planning Committee will therefore need to be mindful of the need to make sound and defensible planning decisions. It is positive that councillors are keen to undertake training and learn from other high performing Planning Committees to ensure that they can use the Croydon Planning Committee as 'the shop window' of the Council for developers and the public looking to see fair and sound decision making.

Plan making – Spatial Planning

- 8.7 The process of the Local Plan Review to date has been an example of good plan making. The peer team found a group of officers who are both dedicated and knowledgeable to deliver the plan making and development requirements of the Borough.

- 8.8 The Council's revocation of SPD2 in July 2022 means that work is in its infancy for a replacement residential extensions and alterations Supplementary Planning Document. There is also an acknowledgement that further design guidance would be required in due course linked to the Local Plan Review programme. At this stage, it is unclear of the extent to which the Local Plan should be amended from its current Reg 19 status. A major review of the Local Plan could result in the Local Plan process being put back further to Reg 18 stage. This could have significant implications on the weight of the policies in the Local Plan and potentially weaken the Council's position in being able to make its own decisions on contentious planning matters. This is clearly not a position that the Council will wish to find itself and therefore it is essential that the Mayor / councillor / officer relationship remains strong so that the political commitments can be delivered successfully. Planning officers need to have a clear message from the Mayor and Cabinet as to the way forward, and this also needs to be clearly expressed to the public.

Community Infrastructure Levy (CIL) and S106 obligations

- 8.9 The CIL and S106 planning obligations processes draw in significant community infrastructure benefits from planning decisions. However, the peer team found that the processes employed by the Planning service to collect and manage these payments were convoluted and inefficient with multiple handling by officers, notwithstanding long-standing process maps and procedures being in place. At this stage resource levels are more stable, so the peer team heard an

intention to undertake a comprehensive review of the historic process maps and procedures. Furthermore, there appeared to be very little awareness by the wider community on how the money was being spent and the benefits of the infrastructure payments being made by developers to mitigate the impact of developments. However, the Council does annually publish its Infrastructure Funding Statement and has been reported twice in recent years to the Council's Scrutiny.

- 8.10 There is clearly a good news story for the Council to promote with the community to show how impacts of development are being offset by improvements for the wider community but there is little evidence of this good news story being communicated effectively. The peer team was told that Borough CIL income is being allocated to support the Council's Capital Programme and in accordance with the CIL Regulations.

'Cobra' meetings

- 8.11 Croydon's management team holds regular officer meetings to discuss strategically important Planning issues to provide a steer on key development projects. This is best practice and an effective way for managers to support case officers in making key decisions on planning applications and ensuring consistency in decision making and approach. The peer team considers that these meetings should be safeguarded at all costs as they are a very effective use of management time. There could be a tendency for overstretched managers and officers to consider that they do not have the time to attend these meetings. The peer team considers that this would be a false economy and further re-inforce the perception by some stakeholders that the Planning service has become insular and disjointed.
- 8.12 The Cobra meetings are also be an opportunity for more junior staff to gain greater awareness of strategically important Planning issues and to develop their skills as the potential future leaders at Croydon. This is an example of good practice in developing staff in the organisation. Croydon, as with most Planning teams across the country, is finding recruitment difficult and therefore it is even more important to develop staff within the Council so that they can develop their skills and to encourage them to stay at Croydon Council.

Financial management within the Council

- 8.13 It is clear that Croydon is working under severe financial constraints and, as a necessity, spend is very carefully monitored and managed within the Council. However, the peer team heard that this is leading to the micro-managing of expenditure that the Planning team is required to go through which is taking up valuable officer time on detailed matters which in turn is impacting on delivery. For example, the peer team heard that the Planning team is unable to book rooms within the Council for the Local Plan examination as the examination will not be held until later in 2022 and therefore has had to go to an outside provider. It is important that prudent financial management does not harm delivery of key Council priorities that in themselves will save the Council time, resources and money.
- 8.14 Related to this is the practice the peer team heard on internal recharging. The peer team understands that officers who support the Development Management function recharge their time through an internal recharging process. The Peer team understands that there is a need for financial prudence to ensure that officer time is spent in a time efficient and cost-effective way. However, the transferring of money between teams / services / departments creates additional work for staff who are already pressured from high workloads. It might be more efficient for service level agreements be agreed with consultees so there is a clear expectation on time and resources that should be sent on Development Management work.

Data standards and digitisation

- 8.15 The report has highlighted inefficiencies in the way that Croydon uses its IT processes and the further potential for the use of Uniform. The Council needs to be aware that the national Planning reforms are focusing on improved data standards and the further digitisation of the Planning system. The Government is committed to supporting Planning authorities in this regard and to ensure that the efficiencies in Planning can be supported by a more consistent and customer focus set of data standards. However, Croydon Council must ensure that it properly engages with these wider national Planning initiatives and time is freed up for officers to benefit from Government support. If this time is not given now a potential invest to save initiative could result in further pressures on staff who are then compelled to engage due to nationally set deadlines being introduced.

9. Implementation, next steps and further support

- 9.1 It is recognised that senior political and managerial leadership will want to consider and reflect on these findings.
- 9.2 To support openness and transparency, the peer team recommends that Croydon Council shares this report with officers and that it publishes it for information for wider stakeholders. There is also an expectation that an action plan would be developed by Croydon Council and published alongside the report.
- 9.3 The Peer team, PAS and the LGA are keen to build on the relationships and the peer challenge process includes a six-month check-in meeting. This will be a facilitated session which creates space for the councils' senior leadership to update peers on its progress against the action plan and discuss next steps and any further support required.
- 9.4 A range of support from the [LGA](#) and [PAS](#) is available on their websites. This includes:
- Development Management - Decision making, committees and probity
 - Making Defensible Planning Decisions
 - Developer Contributions - Community Infrastructure Levy, Section 106 agreements and Viability
 - Getting engaged in pre-application discussions
 - Design training for councillors
 - Development of local plans
- 9.5 In addition PAS would be happy to point Croydon Council to other Councils where there is best practice where areas for improvement have been identified in this report. In the same way PAS would like to use some of the best practice that Croydon demonstrates in helping other Councils through continuous improvement and learning. For more information about planning advice and support, please contact peter.ford@local.gov.uk
- 9.6 The LGA has a range of practical support available. The range of tools and support available have been shaped by what councils have told LGA that they need and would be most helpful to them. This includes support of a corporate nature such as political leadership programmes, peer challenge, LG Inform (our benchmarking service) and more tailored bespoke programmes. Kate Herbert, Principal Adviser for London, is the main contact at the LGA for discussion about your improvement needs and ongoing support. Kate can be contacted at kate.herbert@local.gov.uk

PLANNING TRANSFORMATION ACTION PLAN

February 2022

Aim

To enable the Development Management (DM) team and wider Planning Service to be appropriately resourced, organised and monitored to be able to meet its statutory targets and requirements, the needs of the development community and Croydon residents and businesses, within the context of the Mayor's Business Plan.

Objectives

- Continue improved performance for the determination of planning applications against government targets particularly in relation to non major applications.
- Maintain performance for the determination of major planning applications against Government targets
- Reduce backlog of planning applications in order to reduce the time taken to determine planning applications.
- Maintain quality of decision making having regard to the policies of the adopted Development Plan and other material considerations.
- Review enforcement practices and resources to reduce caseloads and focus resources appropriately.
- Review the structure of the service to ensure all aspects of the service are adequately resourced.
- Seek to retain the current knowledgeable and dedicated staff and promote the Borough to attract new staff
- Identify procedural and technological efficiencies to aid decision making and increase productivity.
- Re-focus the Pre Application Service to ensure that advice can be provided in a timelier manner.
- Work with residents and members, to prepare a communications and engagement strategy and to help interested parties gain a better understanding of the planning process
- Embed a culture of continuous officer support, learning and improvement in order to boost staff retention and morale.
- Promote health and well-being across the service, including mental health support given the focus on the service.
- Inform budget setting to facilitate a financially sustainable service.

Introduction

The Development Management team, including Planning Enforcement function of the Local Planning Authority (LPA) is a very public face of Planning. It is a high-profile service which receives a significant amount of scrutiny from politicians, residents and the development community. Over the previous two years the Council has experienced a significant amount of change both financially and politically. The backdrop of financial constraint, changing working practices as a result of the significant period of lockdown, an increase in planning applications during the lockdown period and a nationwide shortage of qualified and experienced planning staff, has had a significant impact on the service.

All LPAs are closely monitored by the Department for Communities and Levelling Up in relation to the speed and quality of decision making. Prior to March 2020 the Development Management Service had a healthy performance for speed of decision making against both major and non-major Government targets. However, due to the range of factors highlighted above the services performance in the non-major category reduced to close to the Government's performance minimal target at the start of 2022. In addition to this, it was clear that workloads had been unsustainably high for a long period of time. This was impacting on officer's health, morale, and the ability of the Borough to retain staff. As a consequence, this impacted on the level of customer service that the Development Management team were able to provide, which led to mistrust of the service with some customers and interested parties.

The Development Management team has a key role in delivering the Borough's objectives and therefore it is imperative that the service is able to provide a timely and effective Development Management service. With this in mind the Planning Advisory Service (PAS) were invited to Croydon to undertake the following reviews:

- Development Management Process Review
- Planning Peer Challenge.

The Development Management Process Review and the Peer Review were completed in June 2022. The Process Review included a review of the processes and practices which the team has in place and the Peer Challenge also included discussions and interviews with officers, politicians, customers and interested parties.

Both reviews have identified that the existing service has examples of best practices and the team benefits from knowledgeable and dedicated officers. There is good foundation to build upon to improve the delivery of the service. However, the reviews identified that the service is close to breaking point and that if improvement does not happen swiftly it will bring into the question the Council's ability to provide an effective Development Management Service.

Whilst elements of good and best practice are identified the two reviews undertaken by PAS make a number of recommendations for the Service. This Transformation Action Plan is one the recommendations required to set out the necessary work steams identified by the reviews.

Much work has already been undertaken since summer 2022 to reduce backlog and reduce the time taken to determine planning applications. However, as a service it is acknowledged that whilst more resource is required, improvements to the service are necessary beyond employing more staff and there is a need to increase productivity. This will very much be a process of continual development. However, it will not be possible for some of the recommendations of the PAS team to be achieved without additional resource or resource and input from other teams outside the Planning Service within the wider Council. It will be critical to secure additional resource in the form of a Planning Improvement Manager to drive the delivery of this Action Plan.

The recommendations of the PAS reviews can be grouped in the following areas:

- **Resource and Performance Management**
- **Technological Improvements**
- **Officer, Training, Development, Morale and Retention**
- **Internal Process Review**
- **Communication and Engagement**
- **Planning Policy, Procedure Development**
- **Planning Committee**

These have been supplemented by additional recommendations that have been identified through management review and analysis.

For each of the recommendations/tasks outlined below it will be necessary to identify measurable targets, individual tasks, milestones and outputs within an overall task timescale. These will be actioned by the new Planning Improvement Manager.

The new Planning Improvement Manager will lead this work in close collaboration with the DM Management Team and the Director of Planning and Sustainable Regeneration. This work will be over a two-year period with all recommendations initiating the first year, although phased to align with capacity.

Resource and Performance Management

Recommendation 1 – Review the Resourcing of the Planning Service				
Action	Timescale to Commence	Lead Accountability	Project Manager	Corporate /External Resource or Decision
a. Review and establish the appropriate resourcing (permanent and contractor) and structure of the Service to ensure the team can promote the benefit of good planning through the creation of jobs the creation of housing, jobs, infrastructure to benefit existing residents	Q2	Head of DM	Planning Improvement Manager	HR and Finance
b. Review the resourcing requirement (skills, experience, and quantity) to effectively resource pre application and PPA services to optimise income.	Q1	Head of DM and	Planning Improvement Manager	HR and Finance

c.	Benchmark titles, experience, and salaries with neighbouring authorities to determine whether the current approach is reducing the ability to recruit. Consider use of further market supplements to retain and attract staff	Year 2 Q2	Head of DM	Planning Improvement Manager	HR and Finance
d.	Employ additional resources on a temporary basis to increase resources and address the applications backlog to ensure a manageable caseload	Q1	Head of DM	Planning Improvement Manager	Financial approval required
e.	Undertake a PAS Resource Review to identify the staffing resource required to deal with the ongoing workload demands and prevent the build-up of backlogs of both applications and enforcement cases.	Q3	Head of DM	Planning Improvement Manager	PAS and Finance approval required
Recommendation 2 – Enforcement Practices					
Action		Timescale to Commence	Lead Accountability	Project Manager	Corporate /External Resource or Decision
a.	Employ additional temporary staff to increase resources to enable the Enforcement backlog to be reviewed and reduced	Q1	Head of DM	Planning Improvement Manager	Approval from HR and Finance
b.	Review structure of Enforcement team to ensure appropriate senior management resource	Q2	Head of DM	Planning Improvement Manager	Approval from HR and Finance
c.	Review procedures for taking formal action by benchmarking against other London Boroughs	Q2	Planning Improvement Manager	Team Leader of Planning Enforcement	No

d.	Review enforcement reporting so that it is given greater exposure to Members and senior officers	Q2	Planning Improvement Manager	Team leader of Planning Enforcement	No
e.	Regular enforcement clearance weeks	Ongoing	Head of DM	Team leader of Planning Enforcement	No
f.	Proactively close down files with targets to review and determine whether action is expedient or not.	Ongoing	Head of DM	Team leader of Planning Enforcement	No
g.	Undertake targeted enforcement initiatives that demonstrated delivery to the public and Members	Q2	Head of DM	Team Leader of Planning Enforcement	Yes
Recommendation 3 - Performance Management					
Action		Timescale to Commence	Lead Accountability	Project Manager	Corporate /External Resource or Decision
a.	Re-introduce the appeals monitoring process and include a regular report to Planning Committee.	Q1 To be reported to committee quarterly	Planning Improvement Manager	Team Leader Tech Support	No
b.	Monitor major appeal decisions and the Government quality measure using the PAS "Crystal Ball" particularly with reference to the appeals for non-determination	On going	Planning Improvement Manager	Area Team Leaders	No
c.	Identify Service, team and officer specific KPIs and ensure they are monitored and included as an integral part of the relevant meetings i.e., Service, Team and 1 to 1s	Year 2 Q 2	Planning Improvement Manager	Area Team Leaders	No
d.	Establish targets for reduced use of EOTs focused particularly on non-Majors	Q3	Planning Improvement Manager	Area Team Leaders	No

e. Ensure the DM Manual is regularly reviewed and kept up to date.	On going	Planning Improvement Manager	Area Team Leaders	No
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Technological Improvements

Recommendation 4 - Review the current IT investment as part of a wider transformation programme.				
Action	Timescale to Commence	Lead Accountability	Project Manager	Corporate /External Resource Or Decision
a. To invest in IT improvements and training staff as part of a wider Council transformation programme	Q1	Head of DM	Planning Improvement Manager	IT/CDS Finance approval
b. To set up the Uniform system so that it can be used to its full capacity	Q1	Head of DM	Planning Improvement Manager	IT/CDS Finance approval
c. To call upon support from other London boroughs to make best use of the Uniform system	Q1	Head of DM	Planning Improvement Manager	IT/CDS Finance
d. Identify additional IT improvements which can help the efficiency and quality of decision making.	Q1	Head of DM	Planning Improvement Manager	IT/CDS Finance approval

Officer, Training, Development, Morale and Retention

Recommendation 5- Job Descriptions (JDs), training and development

Action	Timescale to Commence	Lead Accountability	Project Manager	Corporate /External Resource or Decision
a. Include a clear approach to Development Management performance management throughout the JDs. Refer to developing and setting individual and team KPIs; and undertaking performance management functions such as 1 to 1s, appraisals, team meetings, coaching, mentoring etc.	Year 2 Q2	Head of DM	Planning Improvement Manager	HR
b. Review all JDs to ensure they accurately reflect the work that the grade is expected to undertake.	Year 2 Q2	Head of DM	Planning Improvement Manager	HR
c. Refer in all JDs the responsibility, at every level, to updating (or assist with updating), improving and implementing the DM Manual.	Year 2 Q2	Head of DM	Planning Improvement Manager	HR
d. Review training and development needs for the team, identify appropriate training opportunities to retain and upskill staff, 'to grow our own' and ensure skill gaps are met and to maintain succession planning at all levels within the team.	Q4	Planning Improvement Manager	Area Team Leaders and Deputy Team Leaders	HR
Recommendation 6 - Officer Morale and Mental Health				
Action	Timescale	Lead Accountability	Project Manager	Corporate /External Resource or Decision
a. Dedicated time for staff to share experiences and problem solve, as well as providing a safe space for voicing concerns. Croydon should programme in a whole department away-day focussed on staff morale and specifically the journey of improvement being undertaken.	Q1	Director and Head of DM	Planning Improvement Manager	No

b.	Support for staff's mental health and wellbeing – setting up sessions where staff can voice how they feel and, critically, what will be done to support them. This is beyond the organisation's intranet resources.	Q1	CEO	Planning Improvement Manager	Yes
c.	Create time within the Development Management Team meetings to allow a discussion on staff morale and current issues.	Q1	Director and Head of DM	Planning Improvement Manager	No
d.	The existing programme of informal mentoring should be developed further to encourage peer to peer learning across all levels of the department.	Q1	Director and Head of DM	Planning Improvement Manager	No
e.	Wider staff retention and development strategy including the promotion of the positives/benefits of working for Croydon and providing clear paths that allow staff to develop themselves within the organisation	Q4	Director and Head of DM	Planning Improvement Manager	HR
f.	To use PAS for member and officer training, specifically mentoring options for key councillors and officers so that they can be provided with an outlet for discussing approaches to the very significant issues that are being encountered in Croydon on a day-to-day basis.	Q1	Director and Head of DM	Planning Improvement Manager	Demo Services

Internal Process Review

Recommendation 7 - Review the Council's approach to validation				
Action	Timescale	Lead Accountability	Project Manager	Corporate/ External Resource Or Decision

a.	Consider the reversion of the validation of planning applications back to the Technical Support Team (following recruitment and training) to free up planning officer time to assess planning applications. This will require additional resources in the Technical Support Team	Q1	Head of DM	Planning Improvement Manager	Capita Terraquest Finance Approval
b.	Hold a workshop session with officers and Tech Support as part of recommendation above to help break the cycle of delays in validation	Q1	Head of DM	Planning Improvement Manager	No
c.	Provide the necessary technical support to ensure that the Enterprise system is set up to allow allocation of applications to take place without the use of alternative systems	Q1	Head of DM	Planning Improvement Manager	IT CDS IDOX
d.	Ensure technical support experience of Uniform is shared and seek to limit reliance on specific individuals	Q1	Head of DM	Planning Improvement Manager	No
e.	Work with agents/developers/applicants to work together and jointly own the performance issues	Q1	Head of DM	Planning Improvement Manager	Applicants and Developer Forum
Recommendation 8 - Work more effectively with consultees to better use the resources available to deliver timely and quality advice for decision making					
Action		Timescale	Lead Accountability	Project Manager	Corporate /External Resource or Decision
a.	Raise corporately the issues of internal consultee resourcing and the knock-on effect it has on planning.	Q1	Director	Head of DM	CMT
b.	Investigate the increase of internal planning solicitor resource (and a clear long-term approach to external legal support) that can be more accessible and timely to ensure robust decision making	Q1	Head of DM	Planning Improvement Manager	Legal Finance

c.	Consider the costs and benefit in relation to employing an in-house viability expert including a shared services approach with neighbouring boroughs	Q4	Head of DM	Planning Improvement Manager	Finance HR
d.	Develop standing advice, template responses and officer training so that planning officers can make better informed decisions without the need for consultee advice in all cases	Year 2 Q1	Head of DM	Planning Improvement Manager	Corporate Consultees External Consultees
e.	Make better use of consultation surgeries and regular catch-up meetings to ensure more timely and consistent responses are provided	Q1	Planning Improvement Manager	Area Team Leaders	Corporate Consultees External Consultees
f.	Agree clear protocols on when consultee advice is needed and timescales for delivering the advice	Q3	Planning Improvement Manager	Area Team Leaders	Corporate Consultees External Consultees
Recommendation 9 - Cultivate the excellent best practice that is already being shown with the "Cobra" officer meetings					
Action		Timescales	Lead Accountability	Project Manager	Corporate / External Resources Required
a.	Continue to operate the Major Applications officer briefings and ensure that they are given the priority status required	Weekly and on going	Head of DM	Area Team Leaders	No
Recommendation 10 - Quality of Officer Reports					
Action		Timescales	Lead Accountability	Project Manager	Corporate / External Resource or Decision
a.	Introduce a standardised template for section headings in all officer reports	Q2	Planning Improvement Manager	Area Team Leaders	No

b.	Include a section within reports that reference relevant emerging policies and how they apply to the development as material considerations.	Q2	Planning Improvement Manager	Area Team Leaders	No
c.	Include within Reports statements on: Human Rights, Equality Act and Financial considerations.	Q2	Planning Improvement Manager	Area Team Leaders	Corporate Consultees
Recommendation 11 - Refocus pre-application and PPAs procedures to provide better service to customers and maximise income.					
Action		Timeline to commence	Lead Accountability	Project Manager	Corporate /External Resources or Decision
a.	Review the current pre-application process in terms of the type of service offered and the fees	Q1	Head of DM	Head of DM	Yes
b.	Seek to streamline agency recruitment processes and SCP approval to enable staff to be brought in quickly to allow current officers to focus on PPAs where signed up to and paid	Q1	Director	Head of DM	Yes
c.	Relevant officers should join the national PAS programme on best practice in pre apps and PPAs so that they can share best practice from Croydon as well as learning from approaches taken elsewhere in the country	October 22 and ongoing.	Head of DM	Area Team Leader Central	No
Recommendation 12- Scheme of Delegation and Planning Committee Code					
Action		Timeline to Commence	Lead Accountability	Project Manager	Corporate / External Resources or Decision

a. Review wording in the procedures and code where there could be potential problems as identified by PAS.	Year 2 Q 2	Head of DM	Planning Improvement Manager	Legal input required through the Constitution Working Group
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Communication and Engagement

Recommendation 13 - Develop a strategy for effective engagement and communication to rebuild trust with local communities that works alongside the Plan Making engagement process.				
Action	Timeline	Lead Accountability	Project Manager	Corporate / External Resource or Decision
a. The establishment of a learning through experience process to better understand both positive and negative community feedback so that officers can better engage with communities in the future	Q2	Head of DM	Planning Improvement Manager	RAs Residents Voice Board
b. Carry out well publicised quick wins through improvements to the accessibility of the website and improved customer response times	Q1	Head of DM	Planning Improvement Manager	IT/CDS
c. Better communicating how the Council ensures transparency in decision making and other conflicts of interest	Q1	Head of DM	Planning Improvement Manager	IT/CDS
d. Improve communication with the development industry through a greater focus on local agents and re-enforcing the importance that is already being given to the developer forums	Q4	Head of DM	Planning Improvement Manager	

e. Promote the department successes and what we are doing to counter some of the negative stories	Q2	Director		?
Recommendation 14 - Utilise the willingness on all sides to re-set relationships and trust between officers and councillors				
Action	Timeline	Lead Accountability	Project Manager	Corporate / External Resource or Decision
a. Members and officers to meet in order for officers to understand the current administration's planning objectives	Ongoing	Director	Planning Improvement Manager	Demo Services and Members
b. Working together on creating more productive and collaborative Planning Committee meetings where councillors and officers work together to make sound and defensible decisions	Q1	Head of DM	Planning Improvement Manager	Demo Services and Members
c. Working together to review the existing Planning Committee code and scheme of delegation so that the community has their right to be heard whilst still enabling the Council to meet wider requirements on speed, quality and delivery. For example, the management of the Planning Sub Committee appears to be confused for all participants in its operation	Q2	Head of DM	Planning Improvement Manager	Demo Services Members and RAs Residents Voice Board
d. Better engagement with internal and external consultees and residents	Q1	Head of DM	Planning Improvement Manager	No Residents Voice Board
e. Member training for Planning Committee and Ward Members	Ongoing but review Q1	Head of DM	Planning Improvement Manager	Demo Services and Members
Recommendation 15 - Customer Service and Communication				

Action	Timeline	Lead Accountability	Project Manager	Corporate/ External Resource or Decision
a. Consider a better process for managing the complaints that identifies the most appropriate level within the organisation to respond and an administrative process for ensuring that complaints are responded to on time. This could include better communication on the Council's website to indicate what matters can be considered as complaints and what matters are outside the scope of the Council's jurisdiction.	Q3	Head of DM	Planning Improvement Manager	Complaints IT/CDS
b. Introduce a more formalised learning through experience process so that lessons can be learnt on all areas of Planning including a celebration of things that have gone well and where officers have been praised	Q2	Head of DM	Planning Improvement Manager	Complaints and Comms
c. Work with the communications team to establish approaches to counter negative media coverage and celebrate good stories	Q1	Head of DM	Planning Improvement Manager	Comms
d. Review the effectiveness of neighbour letters as well as site notices. If neighbour letters are still required then review the process notes to ensure that the process is robust	Q3	Head of DM	Planning Improvement Manager	No
e. Review CIL and S106 processes Improve communication on CIL and S106 spend with Ward members and residents	Q4	Head of Spatial Planning	Planning Improvement Manager	Yes
Recommendation 16- Improve the engagement with residents, partners and developers.				
Action	Deadline	Lead Accountability	Project Manager	Corporate / External Resource Or Decision

a. Regular reporting on such matters as: <ul style="list-style-type: none"> Progress in Planning policy making e.g. listening to residents in revoking SPD2 Reports on the positive decisions being made at Planning Committee - £X of value from planning decisions made, community benefits being delivered as a consequence of planning decisions, etc X number of housing delivered in the borough The community benefits derived from developer contributions, such as CIL and s106 	Q2	Head of DM	Planning Improvement Manager	Spatial Planning Team Residents Voice Board
b. Review pre-application processes to encourage more active engagement with residents	Q3	Head of DM	Planning Improvement Manager	No
c. Review publication of pre-application processes	Q4	Head of DM	Planning Improvement Manager	No
d. Participation at Develop Croydon	On going	Director		No

Planning Policy Procedure and Development

Recommendation 17 - Empower officers and councillors to work together to review the Planning policy direction of the Council.				
Action	Deadline	Lead Accountability	Project Manager	Corporate/ External Resource Or Decision
a. Continue to hold Local Development Framework working Groups with cross party representations.	Q1	Head of Spatial Planning	Spatial Planning Team Leader	Demo Services

				and Members
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Management and Monitoring of the Action Plan

To continue the ongoing implementation of the Action Plan further discussion is required regarding the correct establishment of the team a, further resource is required in the form of a Planning Delivery Manager. Once a Delivery Manager is in place a monthly project meetings of all team leads chaired by the Director of Planning and Sustainable Regeneration will take place to report on progress. All work stream leads will be required to attend and submit 3 days before a highlight report within the required template. Targets will be measured on a quarterly basis unless otherwise stated.

LONDON BOROUGH OF CROYDON

REPORT:	CABINET EXECUTIVE MAYOR DECISION	
DATE OF DECISION	22 February 2023	
REPORT TITLE:	Annual Delivering the Croydon Growth Zone Report – 2023/24	
CORPORATE DIRECTOR / DIRECTOR:	Nick Hibberd – Corporate Director of Sustainable Communities, Regeneration & Economic Recovery Heather Cheesbrough - Director of Planning and Sustainable Regeneration	
LEAD OFFICER:	Steve Dennington – Service Head Spatial Planning and Interim Service Head Growth Zone and Regeneration Email: Steve.Dennington@croydon.gov.uk Telephone: 020 8726 6000 (Ext 28152)	
LEAD MEMBER:	CLLR Jeet Bains – Cabinet Member for Planning and Regeneration	
KEY DECISION - 7422EM	Yes	REASON: Decision incurs expenditure, or makes savings, of more than £1,000,000 and Decision significantly impacts on communities living or working in an area comprising two or more Wards
CONTAINS EXEMPT INFORMATION?	NO	Public
WARDS AFFECTED:	Fairfield, Addiscombe West & Park Hill & Whitgift	

1 SUMMARY OF REPORT

- 1.1 The Growth Zone business rate uplift retention funding mechanism was approved by Cabinet in July 2016 and the Mayor of London in September 2016, and ring-fences growth in business rates from April 2018 for 16 years. A Statutory Instrument was laid in parliament which led to the formal approval of the Growth Zone by the Government from April 2018.
- 1.2 As further historic context, following the adoption of the Croydon Opportunity Area Planning Framework by the Council and the Greater London Authority in 2013, it was clear the infrastructure needs related to the planned growth required additional financial support. Therefore, from inception, the Growth Zone was developed in a collaborative approach with the GLA and Transport for London (TfL) to secure central government financial devolution in the form of business rate retention for a designated area within central Croydon. This process resulted in the Growth Zone coming into force in April 2018.
- 1.3 This annual report sets out proposals for the Growth Zone budget and programme for 2023/24. It reflects the Mayor's Business Plan 2022 – 2026, the need to support the approach to recovery and renewal of Croydon town centre following the devastating socio-economic impact of the coronavirus pandemic, challenging macro-economic conditions and the implications for development activity. The Growth Zone income is ring fenced by the Statutory Instrument and provides an additional funding source. Therefore, positively contributing the Council's financial position.
- 1.4 This report sets out high level detail for the Growth Zone programme of £12,261,000 for financial year 2023/24. A further report will be submitted to Cabinet in the 23/24 financial year identifying the expenditure proposed for the financial year 2024/25 and to take account of the government's recent disappointing announcement that the Council's submission for Levelling Up Funding has been unsuccessful (as detailed in para 4.8).

2 RECOMMENDATIONS

For the reasons set out in the report the Executive Mayor, in Cabinet, is recommended:

- 2.1 to agree £12,261,000 budget for the 'Delivering the Growth Zone' programme 2023/24;
- 2.2 to note the indicative funding profile for Growth Zone Sub Groups and projects as detailed in Table 1 of this report; and,
- 2.3 to agree subject to the requirement to comply with the provisions of Part 4G of the Constitution in taking delegated decisions, and the parameters previously approved in the March 2021 Cabinet report 'Delivering the Growth Zone' delegate to the Corporate Director of Sustainable Communities, Regeneration & Economic Recovery in consultation with the Chief Finance Officer (Section 151) and the Cabinet Member for Planning and Regeneration authority to make necessary changes to the funding assigned to Sub Groups as outlined in Table 1.

3 REASONS FOR RECOMMENDATIONS

- 3.1 The Growth Zone business rate uplift retention funding mechanism was approved by Cabinet in July 2016 and the Mayor of London in September 2016, and ring-fences growth in business rates from April 2018 for 16 years. Since the inception of the Growth Zone, it has been understood that the infrastructure and interventions required to mitigate the planned growth will not be delivered by existing delivery methods, current funding availability or through planning gain. Therefore, the Growth Zone is essential to enable the delivery of critical and essential infrastructure to mitigate the impact of the planned growth (Croydon Local Plan 2018, Croydon Opportunity Area Planning Framework 2013 and London Plan 2021) for the benefit of existing and future residents, businesses and visitors. Also, the Growth Zone funding will play a key role in the Council's approach to recovery and renewal of Croydon town centre following the devastating socio-economic impact of the coronavirus pandemic, challenging macro economic conditions and the implications for development activity.
- 3.2 The Growth Zone is an innovative approach to fund and deliver this infrastructure and regeneration response. The Growth Zone inception pre dates the coronavirus pandemic, the current challenging macro economic circumstances and the Council's financial challenges. Therefore, it is important that the Growth Zone continues to evolve to support the town centre's growth, regeneration and social and economic recovery. This may lead to the Growth Zone funding being invested more flexibly, including meanwhile activation, environmental and maintenance projects and interventions to support recovery of the town centre in the shorter term, rather than being solely focused on new physical infrastructure. This is a real prospect given the Council's Medium Term Financial Strategy presented to Cabinet on 30th November 2022 seeking flexibility from the government regarding Growth Zone funding assignment. This would also need to be agreed with the Greater London Authority (GLA).
- 3.3 The recommendation to approve the 'Delivering the Growth Zone' programme 2023/24 reflects the need to support the centre's growth, regeneration and social and economic recovery. The budget and programme reflects the Council's current resource structures as of 2022/23 that reflect and respond to the Council's financial challenges. It is important that the programme for 2023/24 is realistic in terms of the capacity for delivery.
- 3.4 The 'Delivering the Growth Zone' programme 2023/24 enjoys the support of the core partners of GLA and Transport for London (TfL). This has been secured through the well-established and functional Growth Zone governance.

4 BACKGROUND AND DETAILS

- 4.1 The Growth Zone programme was originally established to leverage opportunities to create the appropriate social, economic, cultural and physical infrastructure needed to ensure that the significant development and growth anticipated within Croydon town centre was sustainable. As a 16-year programme, starting in 2018, it was always envisaged the strategic direction of the Growth Zone and funding available would flex and change over time, with a governance structure established to ensure that the priorities of the programme reflect the needs of the town centre as development and regeneration takes shape.
- 4.2 The core objectives of the Growth Zone to support the regeneration and renewal of the town centre and borough, and to support delivery of social, economic, cultural and physical infrastructure align with the Mayor's Business Plan 2022 – 2026. This report

directly contributes to the Mayor's Business Plan's priorities including – making Croydon a borough we're proud to call home, supporting the regeneration of Croydon's town and district centres and delivering a vibrant London Borough of Culture which showcases local talent and supports Croydon's recovery.

4.3 Whilst many of the major development projects planned for the town centre were starting to progress in the early years of the Growth Zone programme, there have been delays and reconsideration of the nature to some key town centre developments, including the proposed redevelopment of the Whitgift Centre. These delays are likely to have been compounded by the devastating economic impact of the coronavirus pandemic on town centre businesses.

4.4 **Growth Zone Delivery – 2022/23**

4.5 The notable outputs of the Growth Zone for 2022/23 are set out below.

- Place and Public Realm
 - Completion of Minster Green Public Realm RIBA Stage 4 technical designs.
 - Completion of Croydon Urban Room project initiation, design development, public programme development and mobilisation.
 - Commencement of the Growth Zone 2017-19 Meanwhile Asset Audit. The audit will identify which assets may need to be removed, which are to be refurbished and which might be relocated from their present location.
- Culture
 - Recruitment to the Borough of Culture 2023 Project Team.
 - Programme of communications and marketing for the Borough of Culture 2023.
 - Progress and implementation of the March 22 Cabinet Report - Borough of Culture 2023. Examples include, preparation for flagship events, such as - 'Recognition' & 'Places and Faces' to involve diverse groups in the borough and showcase Croydon under the tag 'this is Croydon'; recruitment of a Borough of Culture Programme Manager and Creative consultant; and, provide funding for ongoing fundraising.
- Inward Investment
 - Inward investment concierge service delivery – 37 businesses secured premises in the last 12 months.
 - Support delivery of London South Bank University Green Engineering & Built Environment Innovation Centre – programme of activity being developed with business partners.
 - Working with strategic partners to support & promote Croydon.
 - Working with the Croydon Business Improvement District on the Economic Strategy which will include Inward Investment.
- Transport
 - Completion of Phase 1 of Strategic Transport Modelling with TfL for the purpose of assessing the impact of Croydon Purley Way masterplan and Croydon Town Centre.
 - Continued delivery of walking, cycling and bus priority schemes including those identified in the table below:

High street walking and cycling
Dingwall road walking and cycling
Brighton road walking and cycling
London road walking and cycling

- Smart Cities
 - 4G small cells 52 sites delivered.
 - Combined Breathe London Air Quality monitoring at construction logistics sites along with construction logistics cameras to monitor and control spikes in traffic and air quality.
 - Full fibre broadband connectivity to 80+ CCTV sites in delivery.
- Construction Logistics
 - Heavy Goods Vehicle (HGV) emission control and monitoring.
 - Automated Traffic Control - monitoring all types of vehicle movements entering and exiting the town centre.
 - CCTV cameras - cameras located to where the HGV emission sensors are and used to monitor and manage construction site activity and behaviour.
 - Continued use of 'One.Network' – it has transformed the way network management/construction logistic coordinates works / events / emergencies on the network and is assisting the Council in carrying out our statutory duty under the Traffic Management Act.

4.6 Delivering the Growth Zone programme 2023/24

4.7 High level detail of the Growth Zone programme 2023/24 for the next financial year is set out in Table 1 below. The work of the Sub Groups and the projects are varied and demonstrate the flexibility of Growth Zone funding, under Growth Zone governance, to deliver interventions that are the appropriate response to the current circumstances and as circumstances evolve. Therefore, Growth Zone outputs for 2023/24 are anchored to the core objectives to support the regeneration and renewal of the town centre and borough, and to support delivery of social, economic, cultural and physical infrastructure, which align with the Mayor's Business Plan 2022 – 2026. This is rather than being anchored to an overall long term vision for the Town Centre, which is currently under development. Given this context, the Executive Mayor and the Cabinet Member for Planning and Regeneration will be updated twice a year on the delivery of the annual programme. This will happen in tandem with the GLA Deputy Mayor for Planning and Regeneration.

Table 1

Sub Group / Project	£(000)	Comment
Town Centre Vision (and economic analysis)	200	A Town Centre Vision is necessary to support the Council's approach to recovery and renewal of Croydon town centre. This vision will need to respond to the devastating socio-economic impact of the coronavirus pandemic, understand the future of town centres and high streets, address challenging macro economic conditions and the implications for current and future development activity. The vision will support the Mayor's Business Plan – 2022 – 2026. The vision will not be developed in isolation and needs to be developed in collaboration with partners, such as the GLA, TfL and members of the Town Centre Advisory Board. To ensure the robustness of the vision it will be informed by economic analysis. The vision will be informed by the Croydon Inward Investment strategy and action plan as outlined in the Inward Investment section, the GLA's economic framework and masterplanning activity by key developers in the town centre, including Croydon Limited Partnership.
Transport & Parking Sub Group	900	The Sub Group's activity is dependent on TfL's financial challenges and particularly the TfL funded annual Local Implementation Plan Funding process. Notwithstanding this dependency, work will be focussed on completion of current strategic transport modelling, continue to monitor the Brighton Main Line Upgrade project subject to government announcements, re-engage with Network Rail regarding the renewal of West Croydon station, bus priority programme (work will focus on identifying low-cost and deliverable measures that can be implemented in future years), active travel measures (pedestrian improvements and segregated cycle tracks (continued delivery of the 2022/23 programme)) together with associated public realm improvements and explore opportunities to manage freight/delivery demand.
Minster Green Public Realm Project (RIBA stage 5) & Implementation of the Growth Zone 2017/19 Meanwhile Asset Audit	£7,592	<p>Minster Green Public Realm Project - Located in the heart of Croydon's Old Town, Croydon Minster has been a focal point for the borough's wider history and is a key community partner for positive change in Croydon. However, the surrounding gardens and memorial spaces have lost their original purpose and link to the growing communities in the area.</p> <p>The public realm project will re-establish the relevance of the Minster's public realm and gardens including improvements to the layout including relocation of</p>

<p>(Place and Public Realm, Culture Sub Group)</p>		<p>parking; introduction of a new play area; improved wayfinding; removal of the pedestrian subway; feature lighting to the Minster; and enhancement of the landscaped areas and historic gravestone features. These changes will provide improved activation and benefits for local communities, greatly enhancing the Minster and its surrounds for the people of Croydon.</p> <p>In 2023/24 design will move to delivery on site (RIBA Stage 5). Given cost inflation (material and labour) and delivery complexities in such a sensitive location, a budget of up to £6.68m to be allocated. The Council's term contractor are undertaking a further cost review for Stage 5 to provide greater clarity on the extent of cost increases and whether the construction can be concluded entirely in 2023/24.</p> <p>Despite the cost inflation the Minster Green Public Realm project forms part of the programme for 2023/24 for the following reasons:</p> <p>The Minster is a fundamental part of the borough's history and heritage and its public realm should celebrate the fact.</p> <p>There is time limited Diocese faculty consent in place for the scheme and seeking approval again would be a missed opportunity. It is considered that momentum is key having reached construction stage.</p> <p>The design of the scheme has been informed by engagement with the Diocese and the local community, for example the inclusion of play facilities within the design to offer enhanced green open space.</p> <p>It is hoped the project will leave a space that people will enjoy and dwell, and address some of the current environmental quality, safety and anti-social behaviour issues.</p>
<p>Urban Room (Place and Public Realm, Culture Sub Group)</p>	<p>175.5</p>	<p>The Croydon Urban Room is a physical (Whitgift Centre Unit) and digital platform for public, business and wider stakeholder engagement and participation in the revival and development of the Whitgift Centre and the wider North End Quarter area of the town centre. Situated in a shopfront, the Croydon Urban Room will be an accessible public space - an extension of the public realm that aims to catalyse the sustainable renewal, vitality and resilience of the area. It will aim to do this by improving access and inclusion, empowering the public to be meaningfully involved in future planning, regeneration and development process and in turn contribute to expanding social, sustainable, creative and</p>

		<p>learning infrastructure, bringing investment and economic activities.</p> <p>The public programme of workshops, activities, events and exhibitions will be delivered through a series of programme partnerships with industry, academic and local partners - this will create a greater sense of ownership whilst providing further elements of match funding to the project.</p> <p>The digital platform will reflect the physical activities and public programme in the physical space and expand the outreach of the project. Some pop-up events are also anticipated around the town centre and wider borough to improve access and participation.</p> <p>The 23/24 budget figure is based on a contribution being secured through the ongoing negotiations with Croydon Limited Partnership through the Indemnity Land Transfer Agreement.</p>
Construction Logistics Sub Group	100	Continue to provide interventions and deliver projects to mitigate the impact of construction logistics on the operation of the Croydon Opportunity Area and borough road network. Examples of these projects include, setting up a Croydon Considerate Constructor award scheme, utility and developer coordination and forum, HGV emissions controls and introduction of mobile CCTV construction site activity monitoring.
Borough of Culture (Place and Public Realm, Culture Sub Group)	377.5	Continued funding of the Borough of Culture 2023 to ensure the resource is available to deliver the programme and projects are funded fully to ensure success and their positive impact. The funding will support delivery of projects within the town centre to ensure growth and benefits derived are also available to local businesses and to enhance the perception and accessibility of the town centre as a visitor destination. Specific projects and interventions to be agreed and monitored through the Growth Zone Steering Group and Sub Group.
Museum 2023/24	200	Funding to ensure the operation of the Croydon Museum as a visitor and cultural destination in 2023/24. Strong social infrastructure is critical to the Croydon Opportunity Area's regeneration, particularly as growth is directly linked to resident and visitor spend and footfall. The operation of the Croydon Museum the Borough of Culture offer in 2023 and support increased footfall. This funding was included in the Council's 2023/24 Medium Term Financial Strategy agreed by Cabinet on 30/11/22.

Smart Cities Sub Group	200	<p>Continue to improve digital connectivity including full fibre broadband and 4G/5G connectivity. Build digital inclusion support for jobseekers, micro-businesses and SMEs providing digital skills, connectivity, and access to devices. Continued funding will enable delivery of ongoing projects including 4G small cells across town centre sites, full fibre broadband connectivity to CCTV sites (delivered £1m funding from GLA Connected London), and development of the Digital Borough map providing GIS mapping of all Internet of Things sensors, 4G small cells, Air Quality sensors, foot fall sensors, traffic monitoring sensors, Electric Vehicle Charging Points and all other Smart Cities locations. Accessible by services across the organisation to enable improved data and intelligence to support better decision making. Joint working with Construction Logistics sub group to deliver constructions logistics monitoring through cameras as combined with Air Quality sensors and monitoring secured through funding from the South London Partnership Innovate Programme.</p>
Inward Investment (Place and Public Realm, Culture Sub Group)	139	<p>A dedicated concierge service that supports new businesses into the Growth Zone working with developers, commercial agents and landlords to bring a vibrant offering to the Growth Zone/town centre.</p> <p>Development of a Croydon Inward Investment strategy and action plan within 2023/24 for the Growth Zone area which brings together partner collaboration and attracts investment into the town centre and retains Croydon businesses.</p> <p>London South Bank University – Green Engineering & Built Environment Innovation Centre</p> <p>To build on the past work to support the Innovation Centre which focuses on green research and development bringing local, regional and national businesses and the university together to deliver new green technology solutions to market. Continue to work to deliver the space to collaborate and innovate, create and make new technology helping to drive a green recovery in Croydon and London.</p> <p>Growing the Economy - Growth Zone</p> <p>Working with stakeholders and partners to deliver dedicated business support, advice, guidance and innovation to town centre businesses helping them to become resilient and adaptive to change. Continue a programme of support that delivers support to a minimum of 250 businesses per annum.</p>

Social Infrastructure Sub Group	100	The Sub Group did not operate in 22/23 due to capacity constraints. Should 23/24 Growth Zone recruitment prove successful the sub group will be re-introduced to support social infrastructure delivery in 2023/24.
East Croydon Link Bridge	100	Funding to support the maintenance and cleansing of the public side of the East Croydon Link Bridge as a contractual obligation with Network Rail. The completion of the East Croydon Link Bridge will support the regeneration of the Town Centre by improving and increasing the accessibility of the town centre and visitor experience around East Croydon Station.
Fair Field Halls Forecourt (Growth Zone funded, but not a project that forms part of the Growth Zone delivery programme)	600	Funding for the Council's Fair Field Halls Project Team to deliver improvements to the Fair Field Halls forecourt from the current interim state.
Wellesley Road Crossing (match funding)	1,000	Should up to £1m be secured through the ongoing negotiations with Croydon Limited Partnership through the Indemnity Land Transfer Agreement to secure the whole funding for the Wellesley Road Crossing.
Staffing costs (at 2022/23 costs)	577	This is the cost of Growth Zone establishment for 2022/23 carried forward into 2023/24.
Total – Growth Zone 23/24	12,261,000	

4.8 This report responds to the government's disappointing announcement that the Council's submission for Levelling Up Funding has been unsuccessful for the most recent round of funding. In response, the Council, with partners, will during 2023/24 work to prioritise projects and interventions that could be funded from Growth Zone income. Projects will be prioritised on the basis of supporting the renewal and regeneration of the town centre. The allocation of future Growth Zone funding will be the subject of Growth Zone governance, with core partners (GLA and TfL), and Cabinet approval. Furthermore, the Council has requested feedback from the government on the unsuccessful submission and that feedback is awaited.

4.9 In addition, the ongoing Strategic Transport Modelling study being undertaken, as part of the Transport and Parking Sub-Group, with TfL will be used to determine the transport interventions required to support the current Growth Zone development plans, as well as those necessary to support the Purley Way masterplan and Local Plan Review. This will help project prioritisation and identify the schemes that require Growth Zone funding in future years, which again will be the subject of Growth Zone governance, with core partners (GLA and TfL) and Cabinet approval.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Two other reasonable alternative options were considered and were rejected for the reasons set out below.
- 5.2 An option would be to not set a budget and programme for 2023/24 and allow the Growth Zone income to appreciate given the Council's financial and capacity constraints. This option was rejected as it would not support the town centre's growth, regeneration and social and economic recovery at a very critical stage given the impact of the pandemic and the challenging macro economic conditions. Also, Growth Zone income is ring fenced given the statutory instrument, so is a source of funding for interventions and projects that is not available from other sources given the Council's and partners' financial challenges. Finally, the GLA and TfL would be unlikely to support this option as it creates a clear tension with the original intent and approval of the Growth Zone in 2016.
- 5.3.1 A second option would have been to set a budget and programme that is overly ambitious with the very real risk of under delivery. To ignore the Council's current resource and structures as of 2022/23 that reflect the Council's financial challenges would represent poor programme management. In other words, the option of setting a budget and programme that reflects the resources and structures prior to the Council's Section 114s would represent poor programme management.

6 CONSULTATION

- 6.1 Consultation has taken place with key stakeholders and partners as established through the Growth Zone governance structures. The budget and programme set out in this report enjoys the support of the core partners of Greater London Authority (GLA) and Transport for London (TfL).

7. CONTRIBUTION TO COUNCIL PRIORITIES

- 7.1 The Executive Mayor's priorities are detailed in the Executive Mayor's Business Plan 2022 – 2026. The priorities that this report directly contributes to are outlined below.
- Croydon is a cleaner, safer and healthier place, a borough we're proud to call home.
 - Support the regeneration of Croydon's town and district centres, seeking inward investment and grants.
 - Deliver a vibrant London Borough of Culture which showcases local talent and supports Croydon's recovery.

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

- 8.1.1 At the start of the 2022/23 the Growth Zone dedicated reserve balance was £23.1m.
- 8.1.2 Cabinet in February 2022 agreed the 2022/23 budget and programme, which assigned up to £5.7m to Growth Zone projects and programmes.

- 8.1.3 It is forecast that actual spend in 2022/23 will be circa £2m. The underspend has largely occurred as a consequence of the financial constraints on the Council in the 2022/23 financial year, the diminished resources within the Growth Zone team (recruitment and retention) and across the Growth Zone Sub Groups. Given the Growth Zone has a period of 16 years this underspend can be assigned across the whole Growth Zone period.
- 8.1.4 The table below sets out the 2022/23 opening balance, the forecast spend of £2m for 2022/23 and applies an estimated income of £6,453M (based on 2020/21 income). This is forecast to lead to a closing balance for 2022/23 of £27,553m.
- 8.1.5 The effect of this report is to agree a budget of up to £12,261m Growth Zone funding for 2023/24.
- 8.1.6 Taking account of the forecast opening balance for 2023/24, proposed expenditure and estimated income, it is anticipated the 2023/24 closing balance will be circa £21,745m.
- 8.1.7 This report sets out how the Council will respond to the government's disappointing announcement that the Council's submission for Levelling Up Funding has been unsuccessful for the most recent round of funding.
- 8.1.8 Growth Zone budget risk is managed as follows.
- The Growth Zone financial model is based on anticipated future business rates income, which would enable the Council to fund Growth Zone programmes and projects. Any significant changes to future income streams will impact on the viability of the Growth Zone.
 - The Growth Zone finance governance and financial model will monitor the impact on Growth Zone income of the Business Rate revaluation April 2023 as announced in the government's Autumn Statement 2022.
 - Growth Zone income levels depend on the satisfactory progress of developments occurring in the town centre, which will bring about the uplift in business rates. If these developments slip, the income in future years could be affected.
 - Any overspends in early programmes will impact on the funding available for later projects and programmes. Expenditure and delivery of projects will be managed by the Growth Zone Steering Group. Any unavoidable overspend will mean a reduction in funding available for projects planned for the future.
 - Project and programme delays could impact on the success of the Growth Zone. Governance arrangements are in place with partners and stakeholders to ensure clear understanding of roles and responsibilities. Regular cross partner meetings of the Growth Zone Steering Group is a practical method of monitoring project management and the early identification of any delivery issues for attention.

8.1.9 Growth Zone consequences of report recommendation

	Current Year	Medium Term Financial Strategy – 3 year forecast		
	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26
Revenue Budget Available				
Expenditure Income				
Effect of decision from report				
Expenditure Income				
Remaining Budget				
Growth Zone Budget available	23,100	27,553 (est)		
Expenditure Income	(2,000) (forecast) 6,453 (est)	6,453 (est)		
Effect of decision from report				
Expenditure Income		(12,261)		
Remaining Budget	27,553	21,754		

8.1.10 Comments approved by Darrell Jones [Acting Head of Finance SCRER, Investment & Risk] on behalf of the Director of Finance. (Date 05/01/2023)

8.2 LEGAL IMPLICATIONS

8.2.1 The Head of Commercial and Property Law comments on behalf of the Director of Legal Services & Monitoring Officer that the Non-Domestic Rating (Designated Areas) Regulations establish and enable what is known as a 'Local Growth Zone' by providing for the local retention of non-domestic rates collected in designated areas in England, Croydon being one of those areas.

- 8.2.2 The Regulations designate areas in England (“designated areas”) for the purpose of paragraph 39(1) of Schedule 7B to the Local Government Finance Act 1988 (“the 1988 Act”) (local retention of non-domestic rates). They provide rules for calculating in respect of a billing authority in England all or part of whose area falls within a designated area— (a) the billing authority's non-domestic rating income in respect of the designated area for a specified year; and (b) the proportion of that non-domestic rating income that is to be disregarded for the purpose of specified calculations under Schedule 7B to the 1988 Act. The calculations are to be made separately for each designated area within which a billing authority's area falls. Regulation 3(1) and Schedule 1 designate the areas. The designation of the areas is made by reference to maps.
- 8.2.3 Through the 2018 Regulations, Regulation 3(2) provides that the designation of the Local Growth Zone in Croydon takes effect on 1st April 2018 and is established for 16 years.
- 8.2.4 The Executive Mayor has the power to exercise executive functions pursuant to s9E of the Local Government Act 2000 and has the power to delegate those functions. This report seeks relevant delegations to exercise executive functions.
- 8.2.5 The recommendations in this report are in accordance with the Council’s Constitution and in implementing the recommendations the officer decision maker will need to adhere to the Decision Making Procedure Rules within Part 4G of the Constitution, the provisions of Part 4B of the Constitution in relation to Access to Information Procedure Rules including the publication, where required, of key decision notices and will need to adhere to the provisions of the Budget and Policy Framework Procedure Rules at 4C.
- 8.2.6 Comments approved by Kiri Bailey the Head of Commercial and Property Law on behalf of the Director of Legal Services and Monitoring Officer. (Date 05/01/2023)

8.3 EQUALITIES IMPLICATIONS

- 8.3.1 A key priority for the Council is to work with our partners to make Croydon a safer, fairer and more inclusive place for all our communities. One of the Council’s core priorities detailed in Equality Strategy 2020 -2024 is to focus on tackling ingrained inequalities and the underlying causes of inequality and hardship such as structural racism, environmental injustice and economic injustice. Successful delivery of the Growth Zone interventions and projects outlined in this report will create more opportunities for Croydon residents and contribute towards greater equality and fairness by focusing on tackling ingrained inequality and poverty in the borough reducing tackling the underlying causes, of inequality and hardship, such structural racism, environmental injustice and economic injustice.
- 8.3.2 The Equality Analysis dated February 2022 found that the programme will have a positive impact for all protected groups that share protected characteristics. These include improved accessibility within the street environment and access to public

transport, a cultural offer that supports routes to employment and training opportunities; and safe and reliable public transport and walking and cycling routes.

- 8.3.3 Though the Equality Analysis has identified positive impact in many areas, mitigation has been identified to minimise and plan for any negative impacts that may rise across characteristics throughout the life of the projects. The action plan will be reviewed and monitored.
- 8.3.4 Further Equalities Analyses are being undertaken for each individual Growth Zone project as these progress through the design stages. However, these further analyses have not been recorded so cannot be considered at this stage. The Growth Zone programme governance sets out that individual work streams within sub-groups will ensure this occurs and where necessary action will be taken to mitigate any negative impacts on groups that share a protected characteristic.
- 8.3.5 Approved by: Denise McCausland – Equality Programme Manager (19/12/22)

OTHER IMPLICATIONS

- 8.4.1 There are no immediate HR impact contained in this report. If any should arise, these will be managed under the Council Policies and Procedures.
- 8.4.2 Approved Jennifer Sankar, Head of HR Housing Directorate & Sustainable Communities Regeneration and Economic Recovery Directorate, for and on behalf of Dean Shoesmith, Chief People Officer, on 14 December 2022.

9 APPENDICES

- 9.1 **Appendix 1:** February 2022 - Growth Zone Equalities Impact Assessment - [Microsoft Word - Equality Analysis Form_GZ_February 2022.docx \(croydon.gov.uk\)](#) & [2022_02 Cabinet Delivering the GZ \(croydon.gov.uk\)](#)

10 BACKGROUND DOCUMENTS

- 10.1 March 2021 Delivering the Growth Zone Cabinet Paper – Item 48/21 - [Agenda for Cabinet on Monday, 22nd March, 2021, 6.30 pm | Croydon Council](#)

11 URGENCY

- 11.1 None.

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