

# Scrutiny & Overview Committee Agenda



To: Councillor Rowenna Davis (Chair), Councillor Richard Chatterjee (Vice-Chair), Leila Ben-Hassel (Deputy-Chair), Jade Appleton, Simon Fox and Eunice O'Dame

Reserve Members: Sue Bennett, Louis Carserides, Amy Foster, Gayle Gander, Brigitte Graham and Joseph Lee

A meeting of the **Scrutiny & Overview Committee** which you are hereby summoned to attend, will be held on **Tuesday, 25 July 2023** at **6.30 pm** in the **Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX**.

Katherine Kerswell  
Chief Executive  
London Borough of Croydon  
Bernard Weatherill House  
8 Mint Walk, Croydon CR0 1EA

Simon Trevaskis  
Senior Democratic Services & Governance  
Officer - Scrutiny  
simon.trevaskis@croydon.gov.uk  
www.croydon.gov.uk/meetings  
Monday, 17 July 2023

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

If you would like to record the meeting, we ask that you read the guidance on the recording of public meetings [here](#) before attending.

The agenda papers for all Council meetings are available on the Council website [www.croydon.gov.uk/meetings](http://www.croydon.gov.uk/meetings)

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

## **AGENDA – PART A**

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

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

### **2. Minutes of the Previous Meeting (Pages 5 - 18)**

To approve the minutes of the meeting held on 6 June 2023 as an accurate record.

### **3. Disclosure of Interests**

Members are invited to declare any disclosable pecuniary interests (DPIs) and other registrable and non-registrable interests they may have in relation to any item(s) of business on today's agenda.

### **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. Month 2 Financial Performance Monitoring (Pages 19 - 52)**

The Scrutiny & Overview Committee is presented with the latest Financial Performance Monitoring report (Month 2 – May 2023) for its information. The Committee is asked to: -

1. Review the information provided in the report on the Month 2 Financial Performance Report, and
2. Consider its conclusions on the latest budget position for 2023-24
3. Consider whether there are any recommendations to bring to the attention of the Mayor.

### **6. Equalities Strategy Refresh**

The Scrutiny & Overview Committee is presented with information on the process to refresh the Council's Equalities Strategy.

The Committee is recommended to review the information provided and consider whether there are any conclusions or recommendations it

wishes to make to be fed into the refresh of the Equalities Strategy.

(To Follow)

**7. Scrutiny Recommendations (Pages 53 - 60)**

The Scrutiny & Overview Committee is presented with the latest recommendations made by its Sub-Committees. The Committee is asked to

1. Approve the recommendations made by its Sub-Committee's for submission to the Executive Mayor for his consideration.

**8. Scrutiny Work Programme 2023-24 (Pages 61 - 82)**

The Scrutiny & Overview Committee is presented with the draft work programmes for itself and its Sub-Committees, and asked to: -

1. Agree the Scrutiny Work Programme for 2023-24
2. Consider whether there are any other items that should be provisionally added to the work programme as a result of the discussions held during the meeting.

**9. Exclusion of the Press and Public**

The following motion is to be moved and seconded where it is proposed to exclude the press and public from the remainder of a meeting:

“That, under Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information falling within those paragraphs indicated in Part 1 of Schedule 12A of the Local Government Act 1972, as amended.”

**PART B**

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## Scrutiny & Overview Committee

Meeting held on Tuesday, 6 June 2023 at 6.30 pm in the Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

### MINUTES

**Present:** Councillors Rowenna Davis (Chair), Richard Chatterjee (Vice-Chair), Leila Ben-Hassel (Deputy-Chair), Jade Appleton, Simon Fox and Eunice O'Dame

**Also Present:** Executive Mayor Jason Perry

**Apologies:** None received.

### PART A

#### 35/23 **Minutes of the Previous Meetings**

The minutes of the meetings held on 16 and 22 May 2023 were agreed as an accurate record.

#### 36/23 **Disclosure of Interests**

There were no disclosures of interest made at the meeting.

#### 37/23 **Urgent Business (if any)**

There were no items of urgent business for the consideration of the Scrutiny & Overview Committee at this meeting.

#### 41/23 **Executive Mayor Update to Scrutiny & Overview Committee**

The Committee considered a report on pages 21 to 52 of the agenda which provided an update from the Executive Mayor on the key achievements from his first year in office and his priorities for the year ahead. An update from the Mayor was included within the Committee's work programme for the first meeting of each new municipal year to provide the Committee with the opportunity to scrutinise the Mayor's record in the preceding year and his priorities for the year ahead.

In addition to Executive Mayor Perry, the Council's Chief Executive, Katherine Kerswell, Corporate Director for Resources, Jane West and Assistant Chief Executive, Elaine Jackson were also in attendance at the meeting.

The Executive Mayor introduced the report, highlighted his pride at being the first elected Mayor in the history of Croydon and reconfirmed his commitment to delivering his election pledges and restoring pride in the borough. There was a need for significant change within the Council to address the long-term issues to ensure that the Council was financial sustainable. The Mayor's Business Plan had been agreed at the end of 2022 which set out the commitment to delivering the Mayor's manifesto pledges, with the Council's financial sustainability being a key driver. Listening to residents would also continue to be a priority for the Mayor as the Council continued to reshape its services to become a more sustainable authority.

The Chief Executive advised that the Corporate Management Team (CMT) had also reviewed delivery over the past year, which had revealed positive signs that the culture of the Council was moving forward and the way the Council worked was improving. Improvements such as the new telephony system were having a positive impact by making it easier for residents to get in contact with the Council. Work continued on the Council's improvement journey with a range of transformation programmes due to be launched in 2023-24. This transformation work would require ongoing work to ensure that staff were onboard with delivery and able to manage their business as usual roles.

The first question put to the Mayor asked whether his manifesto pledges would need to be revised in light of the government's intervention at the Council, through the Improvement & Assurance Panel, and the findings from the 'Opening the Books' review. In response, the Mayor highlighted that the pledges had been created within the context of the Council's financial situation and did not require significant additional spending to deliver. As such the manifesto commitments remained in place and the Administration remained committed to delivering these for residents. A key priority for the Mayor had been to gain a thorough understanding of the Council's finances which was why the 'Opening the Books' exercise had been commissioned, leading to the discovery of a number of legacy issues. The relationship with the Improvement and Assurance Panel was very much business as usual, with the finer detail of the Panel's role expected to be clarified by the Government imminently.

In response to a requested update on the progress made with delivering the People and Cultural Transformation Strategy, the importance of the strategy

to staff was emphasised. The strategy was particularly important to help rebuild the relationship with staff who had experienced trauma from having worked through the challenges experienced at the Council over the past few years. Despite these challenges, staff at the Council remained committed to delivering improvement and providing services for residents. It was recognised that work force retention was an issue across local government, but at present Croydon was a net gainer of staff. The action plan for delivering the People and Cultural Transformation Strategy had now been completed following a co-creation process with over 200 members of staff. The Committee commended the work that had been invested in working with staff to co-create the strategy and its accompanying action plan. It agreed that the Committee would schedule a review of the action plan, along with the indicators for the strategy, as part of its 2023-24 work programme.

It was questioned what the Council would look like at the end of its transformation journey and whether there was a clear vision being communicated to staff. It was advised that the change process would be ongoing, evolving to take account of new factors as they emerged. A clear message was being given to staff that once a decision had been made, it would be followed through to implementation. The Mayor's Business Plan provided the strategic direction from which the work of the Council would flow from. It had been recognised that ongoing work was needed to rebuild the trust of staff, with regular webinars held to provide staff the opportunity to raise any concerns. The creation of internal control boards had also given staff greater opportunity to be involved in the improvement journey of the Council. There was a range of different improvements related to areas such as compliance, finance and staff training that were also being progressed.

Reassurance was given that staff understood there was a need for pace and urgency in the delivery of improvement across the Council, but at the same time the Council had a duty of care to its staff, to avoid burnout and ensure that any improvement delivered was sustainable. It was essential that clear messaging was being to staff on what was being improved and how it would be delivered.

Regarding recruitment, it was recognised that there was a challenge in recruiting staff within social care and associated roles, such as occupational health, across the sector, but particularly in local authorities in London. It was also challenging to recruit experienced housing staff. Despite the recruitment challenges across local government, Croydon provided an excellent opportunity for staff to be part of an improvement journey. Although delivering improvement required hard work, it also offered individuals the opportunity to make their mark professionally.

As a follow-up, it was questioned how the recruitment challenges in social care were being addressed. It was advised that the Council was, in conjunction with Croydon College and Southbank University, looking at how it would grow its own staff through health and care training. Apprenticeship were also another area being explored.

It was questioned what the Council was doing to ensure it was meeting its best value duty and what were the key areas of risk. The Mayor advised that ensuring best value required the Council to be delivering ongoing improvement to its services. Potential breaches of the Best Value Duty would include a council not setting a balanced budget, a council failing to provide its statutory services or providing services that were not value for money. The key areas of focus reflected the priorities identified by the Improvement and Assurance Panel which were Finance, Housing and Transformation.

The Council continued to provide its statutory services and through its transformation programmes, was working to deliver improvement and efficiency. Other areas of work such as the ongoing review of council contracts and putting a robust procurement plan in place also contributed towards ensuring that value for money was being delivered. The 'Opening the Books' process provided further indication that the Council now had a more thorough understanding of its finances.

In March 2023, the Government had advised that it would be formalising the powers of the Improvement and Assurance Panel, as the Council had not been able to set a balanced budget for 2023-24 without the Government's permission to allow further capitalisation. The detail on the new arrangements for the Panel was expected to be forthcoming in the near future. The Council had requested support from the Government to address its unsustainable debt, as without a solution being found it would not be possible for the Council to meet its Best Value Duty of delivering a balanced budget. It was highlighted that Best Value Duty was the only legal power the Government had to intervene in a council, when it considered the duty had been breached.

An exit strategy was being prepared which would set out how the Council would reach sustainability by the time the Panel role with the Council was due to end in March 2025. As part of the exit strategy, there was a need to establish how the Best Value Duty would be measured, as the Government would want to know if the Council would still be resilient in its improvement when it left in March 2025.

There had been a lot of time invested in strengthening the risk management processes of the Council and in ensuring the delivery of robust control



systems. Most recently the new NEC Housing system had completed its testing phase and was due to go live, which was a big step forward for the Council. As well as introducing new, fit for purpose, systems, there was also a process in place to decommission older systems that were no longer required.

Regarding the Council's transformation projects identified through the 2023-24 budget setting process, it was advised that work was underway to aggregate the original list of 40 projects into grouped programmes of work. At the same time the software to be used to monitoring transformation and report on progress was being rolled out across the organisation. It was recognised that there would need to be a greater level of ambition in transformation projects going forward, as transformation became more embedded in the culture of the Council. As such the current workstreams included a focus on building the skills within the organisation necessary to delivering successful transformation.

In response to a question about whether the Council had strengthened its risk management processes, reassurance was given that Croydon had a good system of risk management. The new project software would be linked into the risk system, to enable project risks to be reviewed on a granular level. It was highlighted that after initially flagging concerns about the Council's risk management processes, the Department for Levelling Up, Housing and Communities had revised this view following a review and were satisfied with the risk management of the Council. The Council's Risk Manager regularly attended directorate management team meetings to discuss area specific risks and had identified risk champions within each directorate.

The Committee welcomed confirmation that key performance indicators (KPI) were being developed to monitor the delivery of the Mayor's Business Plan and it was advised that these were likely to be available within two Cabinet meeting cycles. The Committee agreed that the KPI's should be able to provide an indication of the tangible benefits delivered for the people of Croydon through the Mayor's Business Plan.

It was questioned how the Mayor would be fulfilling his promise to listen to Croydon. In response it was highlighted that there had been two question time events so far and these would be increasing in frequency going forward. There would also continue to be public consultation on a range of different areas. The Mayor advised that he frequently attended events with local businesses and community groups which also provided an opportunity to listen to residents. The Town Centre Working Group had been re-established to work with partners and businesses across the town centre to encourage its redevelopment.

Regarding the biggest risks within the saving plan, it was advised that delivering £36m of savings was a big challenge, which needed to be closely monitored to ensure delivery. The reality for the Council was it would be doing less in the future, but the services it continued to provide would need to be delivered to a high standard. As it was still very early in the financial year, it was too early to pinpoint specific areas of risk.

The Committee welcomed the delivery of a new telephony system and asked whether there was any indication of the difference the new system had made. It was advised that since the installation of the new system, call waiting times had reduced from 7 minutes down to 56 seconds. Residents were also more likely to get their calls answered, which could be evidenced from the call drop-off rate reducing from 60% to 1-2%. The new system provided a range of other data, which would be used to drive ongoing improvement in other areas such as the information provided on the Council's website. It was flagged that a possible improvement in customer interaction would be to ensure that all calls were being followed-up by an email as a matter of course.

It was questioned whether there had been any progress in the discussion with Government to find a solution for the Council's unsustainable debt. It was confirmed that council officers were meeting with their ministerial counterparts on a weekly basis and at the same time the Mayor was having discussions on a political level. It had been made clear to the Government that a solution was needed for 2024-25 budget setting process. However, as any solution would require the creation of a new framework for supporting councils with financial challenges such as those in Croydon, no firm timeline had been given at present.

It was confirmed that both the Mayor and the Chief Executive had replied to the Government consultation on the role of the Improvement & Assurance Panel, but it was not known if any other submissions were made. The Government had indicated that it was open to having regular meetings with as many partners involved in the recovery of Croydon as possible, but this was pending confirmation on the arrangements for the Improvement & Assurance Panel.

Given the financial challenges facing the Council, the Mayor was asked whether his manifesto commitment to re-opening Purley Pool could still be delivered and if it represented value for money. The Mayor confirmed that re-opening Purley Pool remained a key manifesto priority and was essential to the vitality of the area and the mental and physical health of residents. It was originally envisioned that Community Infrastructure Levy (CIL) funding could be used to fixing the pool, but a more detailed investigation had revealed that

the degradation of the pool was more significant than initially anticipated. The Mayor continued to have conversations on the future of the pool, with an update likely to be provided in the near future.

It was noted that both the Adults and Childrens social care services were likely to be inspected in the next year. Further information was requested on how the Council was preparing for these inspections. It was advised that the preparation for inspection was ongoing and involved both self-assessment and peer reviews. The Mayor met with officers and the respective Cabinet Members monthly to review any issues arising within the directorates and had additional meetings on specific issues as needed.

In response to a question about how the Council was helping to support Croydon College following a recent negative Ofsted inspection, it was advised that they were having ongoing conversations about the support that could be provided. It was highlighted that the college provided good outcomes for young people in a number of areas and the negative outcome of the inspection had been based on a specific area.

It was questioned when the Public Space Protection Order (PSPO) in the town centre would be reviewed. It was advised that the current order had only been in place for a month, in which time 28 notices had been issued. Most of the notices issued related to individuals drinking alcohol in the street. When the PSPO had been set up, it was agreed that the boundary would be reviewed after the first few months of operation to check if there was an issue with displacement. It was important for residents to report any issues arising because of displacement, as this data was essential to assessing the impact of the PSPO. Although it was acknowledged that the PSPO was open ended, it was suggested that online information on the PSPO should include an indication of the review date to encourage residents to report any issues promptly. The Committee agreed that it was also important to ensure that there was support provided to individuals subject to orders and agreed that further reassurance on the support available would be sought after the meeting.

It was confirmed by the Mayor that the redevelopment of the Town Centre was a key priority, with regular meetings held with the developer to seek updates on the delivery of a masterplan and to encourage the identification of meanwhile uses for vacant units. The Town Centre Advisory Board had recently been set up to enable a wider conversation with key partners on the delivery of regeneration in the town centre. It was hoped that within twelve months the plans for the town centre would have progressed to the pre-application stage of the planning process. The possibility of finding a

meanwhile use for the Alders building in the town centre had been delayed as the poor state condition of the property had meant that more work than originally anticipated was required.

An update was requested on the delivery of the Mayor's manifesto commitments on graffiti removal and grass cutting. It was advised that graffiti removal service was working to remove graffiti when reported through the Clean Streets app. Although the service was not currently working at capacity, action was underway to improve this. There had been a disappointing start to the grass cutting service this year as it was taking time to find the right balance between cutting and madowing. At the present time, the service had prioritised cutting in areas such as cemeteries.

Further information was requested on the strategy guiding the delivery of savings within the Homelessness service which would also ensure the service was able to respond to the high level of homelessness in the borough. It was advised that early intervention was key to reducing demand within the Homelessness service, which included providing advice and signposting residents to the support. Separately there was an issue with other boroughs placing people in temporary accomodation in Croydon which was not sustainable, with discussions taking place through London Councils on reducing this. There was currently five access points into the Homelessness service, which was unsustainable, with work underway to reduce this to a single point of access. There was also work needed to review the supply of temporary accommodation that was available to ensure it was enough available of sufficient quality, offering value for money.

Concern was raised that the senior officers who had led on the mobilisation of the responsive repairs contracts and the re-procurement of the waste and street cleansing contracts respectively, were leaving the Council. It was advised that there was still strong teams in place that would be able to lead the delivery of these key projects.

Regarding the risks to the Council from the reprocurement of the waste and street cleansing contract, it was advised that the key risks include the potential cost of the new contract increasing and whether there would be a lack of bidders. The Council had been engaging with providers on best practice ahead of developing the contract specification to mitigate these risks. As current contract was procured jointly with three other boroughs through the South West London Waste Partnership, there was a risk that procuring the new contract individually reduce the economies of scale achieved, but as Croydon was the largest borough in the partnership this risk was lower.

It was questioned whether there had been any feedback from the Government to indicate why the Council had not been successful in its bid for Levelling Up funding. It was advised that feedback had been received which indicated that the Council's bid had been good and had met the criteria for funding. However, as only 20 schemes out of 200 bids had received funding, it had not been successful. A request was made for this feedback to be shared with the members of the Committee.

At the conclusion of this item, the Chair thanked the Mayor for his attendance at the meeting and his engagement with the questions of the Committee.

## **Actions**

Following its discussion of the item, the Scrutiny & Overview Committee agreed the following areas for further action: -

1. That scrutiny of the action plan to deliver the People and Cultural Transformation Strategy is scheduled for a future meeting of the Scrutiny & Overview Committee.
2. That scrutiny of the Council's recruitment and retention of staff is scheduled for a future meeting of the Scrutiny & Overview Committee.
3. That scrutiny of the development of the Homelessness Strategy is scheduled for a future meeting of the Homes Sub-Committee.
4. That scrutiny of the delivery of savings in children's social care whilst maintaining safe levels of care is scheduled for a future meeting of the Children & Young People's Sub-Committee.
5. That the feedback provided by the Government on the Council's bid for levelling-up funding is provided to the Scrutiny and Overview Committee.
6. That scrutiny of the next steps for the Council in improving its customer journey is scheduled for a future meeting of the Scrutiny & Overview Committee.
7. That meetings are arranged with Thamesreach as well as the Cabinet Member for Community Safety, Councillor Ola Kolade, to seek information on the joined up approach to the provision of support for

individuals subject to Public Space Prevention Orders and the encouragement of reporting.

## **Conclusions**

Following its discussion of the item, the Scrutiny & Overview Committee reached the following conclusions: -

1. The Scrutiny & Overview Committee noted that it was a continuing challenge for the Council to balance the available staff resources to enable the delivery of transformation programmes at the same time as continuing to provide business as usual services. The Committee is aware that the 2023/24 budget has an allocation of £10m in 2023-24 for transformation work to fund extra capacity. The Committee agreed that it would seek reassurance in the coming year, that this budget was being effectively allocated.
2. The Scrutiny & Overview Committee agreed that it would move the item on the Mayor and Council's Relationship with the Improvement & Assurance Panel from the 6 June 2023 agenda to its next meeting on 25 July 2023 and also include a discussion on the duty of best value.
3. Although a response was expected from the Government, until it was received there remained a concern that the specific detail on the Improvement and Assurance Panel's new statutory role with the Council had not been clarified.
4. Of more significant concern for the long-term financial sustainability of the Council, was the clarity on the outcome of the request to Government for the treatment of its unsustainable debt. Until that outcome was known, uncertainty remains in the 2024-25 budget setting process.
5. The Scrutiny & Overview Committee was disappointed to hear that it was unlikely that a planning application for the town centre would be finalised this year, but welcomed the commitment of the Mayor to continue pushing the developer, Westfield, on the redevelopment and looked forward to seeing progress on meanwhile use within the town centre in the next year.

## **Recommendations**

Following its discussion of the item, the Scrutiny & Overview Committee agreed the following recommendations for sub: -

1. The Committee welcomed confirmation from the Mayor that performance indicators to track the delivery of Mayor's Business Plan would be forthcoming, the Committee recommended that consideration be given to indicators that demonstrate the tangible benefits delivered for residents as a result of the Plan.
2. The Committee understood the open-ended nature of the consultation process for Public Space Protection Orders to report concerns so residents would continue to do this, but also felt that a current timeline / deadline be provided, perhaps of six months after its enactment, to give residents clarity about when the scheme would be reviewed and potentially amended.

**39/23 Improvement & Assurance Panel**

This item was deferred to the next meeting of the Committee scheduled for 25 July 2023.

**41/23 Scrutiny Work Programme 2023-24, including the re-establishment of the Homes Sub-Committee**

The Committee considered a report set out on pages 53 to 62 of the agenda which set out the principles which would underpin the work programme for the Committee and its sub-committees in the year ahead. The report also proposed re-establishing the Homes Sub-Committee for a further two years, waiving political balance requirements to allocate seats for Green and Liberal Democrat members and the allocation of the Health & Social Care Sub-Committee Vice-Chair role to the Conservatives.

The Vice-Chair of the Committee advised of a correction to the appointments listed in the report, confirming that Councillor Adele Benson was the Conservative appointment as Vice-Chair on the Homes Sub-Committee, rather than Councillor Danielle Denton as listed.

It was confirmed that the report had been reviewed by the Deputy Monitoring Officer prior to publication to ensure that it complied with the statutory notice required when proposing to waive the political balance requirements in relation to committee appointments.

**Resolved:** The Scrutiny & Overview Committee resolved to: -

1. Agree the underlying principles to guide the work of the Council's Scrutiny function in the forthcoming year.
2. Agree that the remit of the Streets, Environment & Homes Sub-Committee will be divided through the formation of a separate Homes Sub-Committee until the end of 2024-25 municipal year.
3. Agree that the terms of reference agreed for both the Streets & Environment and the Homes Sub-Committees in October 2022, as outlined in section 5, remain valid and are agreed.
4. Agree to waive the requirement for the seats on the Sub-Committees to be allocated in line with the overall political balance of the Council.
5. Agree the appointments (including regular and reserve members and chairs and vice-chairs) to the Sub-Committees.
6. Note that Sub-Committee arrangements will revert to three sub-committees (Children & Young People, Health & Social Care and Streets, Environment & Homes) from the start of the 2025-26 municipal year, unless the Scrutiny & Overview Committee resolves otherwise.

#### 41/23 **Scrutiny Recommendations**

The Committee considered a report set out on pages 63 to 70 of the agenda which presented recommendations proposed by the scrutiny sub-committees for sign-off ahead of submission to the Executive Mayor and responses from the Mayor to previously made decisions.

The report also provided the Committee with proposed recommendations based upon the discussion held at its last meeting on 22 May 2023. The meeting had ended prematurely following a fire alarm at the Town Hall, preventing the Committee from concluding its discussion on the Annual Asset Disposal Plan 2023-24 item. During a discussion on these recommendations, it was agreed that the recommendation concerning the engagement with ward councillors on asset disposals would be expanded to include the local community where appropriate.



**Resolved:** The Scrutiny and Overview Committee resolved to:-

1. Approved for submission to the Executive Mayor, the recommendations made by the Streets & Environment Sub-Committees.
2. Note the response provided by the Executive Mayor to recommendations made by the Scrutiny & Overview Committee.
3. Agree the recommendation arising from the Scrutiny & Overview Committee meeting held on 22 May 2023 for submission to the Executive Mayor.

42/23 **Exclusion of the Press and Public**

This motion was not required.

The meeting ended at 9.20 pm

**Signed:**

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**Date:**

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## LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>Scrutiny &amp; Overview Committee</b>	
<b>DATE OF DECISION</b>	<b>25 July 2023</b>	
<b>REPORT TITLE:</b>	<b>Month 2 Financial Performance Report</b>	
<b>CORPORATE DIRECTOR</b>	<b>Jane West, Corporate Director of Resources (Section 151)</b> <b>jane.west@croydon.gov.uk</b> 020 8726 6000 Ext 27320	
<b>LEAD OFFICER:</b>	<b>Jane West, Corporate Director of Resources</b>	
<b>LEAD MEMBER:</b>	<b>Councillor Jason Cummings Cabinet Member for Finance</b>	
<b>AUTHORITY TO TAKE DECISION:</b>	The attached report is presented to the Scrutiny & Overview Committee as part of its ongoing Budget Scrutiny work.	
<b>KEY DECISION?</b>	<b>No</b>	
<b>CONTAINS EXEMPT INFORMATION?</b>  <i>(* See guidance)</i>	<b>No</b>	Public
<b>WARDS AFFECTED:</b>	All	

### 1. PRE-DECISION SCRUTINY: MONTH 2 FINANCIAL PERFORMANCE REPORT

- 1.1. Attached at Appendix A to this cover report is the latest financial performance of the Council at the end of month 2 (May 2023).
- 1.2. The report is presented to the Scrutiny & Overview Committee as part of its ongoing scrutiny of the budget, allowing reassurance to be sought on the delivering of 2023-24 budget.

### 2. RECOMMENDATIONS

- 2.1. The Committee is asked to: -
  1. Review the information provided in the report on the Month 2 Financial Performance Report, and

2. Consider its conclusions on the latest budget position for 2023-24
3. Consider whether there are any recommendations to bring to the attention of the Mayor.

**CONTACT OFFICER:**

Simon Trevaskis – Senior Democratic Services & Governance Officer – Scrutiny

Email: [Simon.trevaskis@croydon.gov.uk](mailto:Simon.trevaskis@croydon.gov.uk)

**Appendix A: Month 2 Financial Performance Report**

# LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>CABINET</b>	
<b>DATE OF DECISION</b>	<b>26 July 2023</b>	
<b>REPORT TITLE:</b>	<b>2023-24 Period 2 Financial Performance Report</b>	
<b>CORPORATE DIRECTOR</b>	<b>Jane West Corporate Director of Resources (Section 151 Officer)</b>	
<b>LEAD OFFICER:</b>	<b>Allister Bannin, Director of Finance (Deputy S151)</b>	
<b>LEAD MEMBER:</b>	<b>Cllr Jason Cummings, Cabinet Member for Finance</b>	
<b>KEY DECISION?</b>	<b>Yes</b>	<b>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</b>
<b>CONTAINS EXEMPT INFORMATION?</b>	<b>No</b>	<b>Public Grounds for the exemption: N/A</b>
<b>WARDS AFFECTED:</b>	<b>All</b>	

## 1 SUMMARY OF REPORT

- 1.1 This report provides the Council’s financial performance as at Period 2 (May 2023) for the General Fund, Housing Revenue Account (HRA) and the Capital Programme. The report forms part of the Council’s financial management process for publicly reporting financial performance on a monthly basis.

### Financial Performance Summary Table

Financial Performance Area	2023-24 Proposed Revised Budget (to be agreed by Cabinet) (£m)	2023-24 Forecast (£m)	2023-24 Forecast Variance (£m)
Revenue Forecast (General Fund)	340.9	340.9	-
Revenue Forecast (Housing Revenue Account)	-	1.7	1.7
Capital Forecast (General Fund)	144.3	144.3	-
Capital Forecast (Housing Revenue Account)	33.2	37.3	4.1

## 2 RECOMMENDATIONS

For the reasons set out in the report, the Executive Mayor in Cabinet is recommended:

- 2.1** to note the General Fund revenue budget outturn is forecast to breakeven at Period 2, after the forecast utilisation of £63m capitalisation directions requested from DLUHC and £3.8m of the corporate risk contingency budget. It is not planned in advance to utilise the risk contingency budget and directorates will work to bring the service directorate positions within budget.
- 2.2** to approve an increase to revenue expenditure budgets fully funded by new government funding for the Homelessness Prevention Grant (£1.9m) and Asylum Dispersal Scheme (£0.9m).
- 2.3** to note the progress in MTFS savings achievement as set out in paragraph 4.85.
- 2.4** to note the work that has commenced on the Council's Transformation Programme as set out from paragraph 4.81.
- 2.5** to note the Housing Revenue Account (HRA) revenue budget outturn is forecast to overspend by £1.7m.
- 2.6** to approve the net budget increase in 2023-24 General Fund and HRA capital programme budgets resulting from 2022-23 net slippage of £18.422m (GF) and £0.625m (HRA).
- 2.7** to approve a net budget increase to the 2022-26 General Fund capital programme budget of £1.541m (in addition to slippage), as set out in paragraph 4.101.
- 2.8** to note the General Fund capital programme 2023-24 forecast underspend of £0.040m against the revised capital budget (to be agreed by Council) of £144.332m.
- 2.9** to approve a budget increase to the 2022-26 HRA capital programme budget of £11.232m (in addition to slippage), as set out in paragraph 4.102.
- 2.10** to note the HRA capital programme 2023-24 forecast overspend of £4.073m against the revised capital budget (to be agreed by Council) of £33.248m.
- 2.11** to note the Council's historic legacy borrowing and debt burden continues to be critical to the sustainability of the Council's revenue budget. Dialogue with the 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.

- 2.12 to note that the Council continues to operate Spend Control Panels to ensure that tight financial control and assurance oversight are maintained.
- 2.13 to note that current forecasts are based on the best available information at the time and will be subject to review and change during the financial year.

### **3 REASONS FOR RECOMMENDATIONS**

- 3.1 The Financial Performance Report is presented monthly to Cabinet 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 (HRA) and Capital Programme. The Financial Performance Report ensures there is transparency in the financial position, and enables scrutiny by the Executive Mayor, Cabinet, Scrutiny & Overview Committee and the public. It offers reassurance regarding the commitment by Chief Officers to more effective financial management and discipline.

### **4 BACKGROUND AND DETAILS**

- 4.1 The 2023-24 budget approved by Council in March 2023 set a net revenue budget of £340.9m. This required capitalisation directions from government of £63m to balance, due to resolving historical inaccurate accounting treatments and to fund the ongoing annual servicing of debt.
- 4.2 The Council's historic legacy borrowing and debt burden continues to be critical to the sustainability of the Council's revenue budget.
- 4.3 The current forecast is that the Council will breakeven against the 2023-24 General Fund revenue budget, however this is following the forecast utilisation of the £63m capitalisation directions requested from DLUHC and £3.8m of the corporate risk contingency budget.

#### **Cost of Living Considerations**

- 4.4 There are a number of inflationary pressures that the Council, like all local authorities, is managing. The UK's Consumer Prices Index (CPI) inflation rate was 8.7% in the 12 months to April 2023, remaining high albeit lower than the Office for National Statistics (ONS) reporting in November 2022 that the CPI hit 11.1% in October 2022. This impact goes beyond the Council as the cost of living is affecting all households and businesses.

- 4.5** 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.
- 4.6** 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.
- 4.7** At a national level, household support was 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 have been eligible for a £400 discount over the winter and residents on means-tested benefits have been eligible for a £650 cost of living payment from Government.
- 4.8** The Council provides a wide range of support for residents that may be struggling owing to cost of living pressures. These include:
- Discretionary support for residents in financial hardship, including the Household Support Fund
  - Council Tax support – for residents on a low income or in receipt of benefits, Council Tax bills could be reduced by up to 100%
  - Council Tax Hardship Fund (supporting low income households that cannot afford to pay their full increase in Council Tax)
  - Benefits calculator, to ensure residents receive the support to which they are entitled
  - 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 to receive training to support them into work and funding of the voluntary sector to provide advice and guidance
- 4.9** 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 which offers affordable ways to manage money, including savings accounts and loans



## GENERAL FUND REVENUE BUDGET SUMMARY

**4.10** The General Fund revenue forecast outturn shows an overall balanced position following the forecast utilisation of the £63m capitalisation directions requested from DLUHC. The service directorates show a forecast overspend of £3.8m which is offset by utilisation of the corporate risk contingency budget.

**Table showing the revenue forecasts by Directorate**

Directorate	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Adult Social Care and Health	129.8	28.2	131.1	1.3
Assistant Chief Executive	40.8	1.3	40.6	(0.2)
Children, Young People and Education	92.3	7.1	95.4	3.1
Housing	15.7	3.2	15.7	-
Resources	35.5	35.3	35.1	(0.4)
Sustainable Communities, Regeneration & Economic Recovery	65.6	11.0	65.6	-
<b>Subtotal Service Directorates</b>	<b>379.7</b>	<b>86.1</b>	<b>383.5</b>	<b>3.8</b>
Corporate Items and Funding	(38.8)	1.2	(42.6)	(3.8)
<b>Total Net Expenditure Budget</b>	<b>340.9</b>	<b>87.3</b>	<b>340.9</b>	<b>-</b>

- 4.11** It is not planned in advance to utilise the risk contingency budget and directorates will work throughout the year to manage those areas with forecast overspends to ensure the Council remains within budget.
- 4.12** The Council continues to build on the improvements in financial management that were made last financial year. However, there is a considerable amount yet to do, which is fully recognised within the organisation.
- 4.13** A monthly budget assurance process and independent challenge of expenditure takes place. This is in addition to Cabinet and Scrutiny & Overview Committee review. The assurance meetings 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, and ensure that savings are delivered and income targets are met. The meetings ensure the Council is doing all it can to reduce overspends and deliver a balanced budget.

## DIRECTORATE VARIANCES

### Adult Social Care and Health (ASCH)

Division	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Adult Social Care Operations	111.3	26.2	112.8	1.5
Adult Strategic Commissioning, Policy & Improvement	16.7	1.7	16.7	-
Central ASCH	1.8	0.3	1.6	(0.2)
<b>Total ASCH</b>	<b>129.8</b>	<b>28.2</b>	<b>131.1</b>	<b>1.3</b>

**4.14** At period 2, the ASCH directorate has a forecast overspend of £1.3m (0.96%) against a budget of £129.8m.

**4.15** The ASCH Directorate has challenging savings targets totalling circa £10m to deliver in 2023-24 on placements and care packages through demand management, commissioning and review of care packages. Risks continue in the provider market from inflation including higher fuel, labour and property costs which may result in claims for increased fees and/or financial instability with the potential for 'handing back' contracts.

#### Adult Social Care Operations - Forecast overspend of £1.5m

**4.16** Staffing across this division demonstrates a forecast underspend (broken down by area below) due to periods of vacancy above the £1m MTF5 5% vacancy factor saving applied to staffing budgets in 2023-24. There is a national shortage of both social workers and occupational therapists and recruitment to many roles is proving challenging. The periods of vacancy are a barrier to achieving savings as staff are focussed on statutory delivery rather than delivering transformation to improve performance, data management and reduce operational risks across the directorate.

**4.17** Localities & LIFE have an underspend of (£1.4m) due to a staffing underspend of (£0.4m) and income over-achievement of (£1.0m).

**4.18** Working Age Adults has an overspend of £3.8m. This comprises an overspend on care of £4.3m which is partly mitigated by an underspend in staffing of (£0.3m) and an overachievement of income. The overspend includes unachievable savings of £1.9m, against a challenging target of £5.3m. It should also be noted that this area was overspent by £2.3m in 2022-23. The service has committed to achieving further savings which will be reflected once robust plans have been developed.

**4.19** Provider Services has a (£1.0m) forecast underspend on staffing due to vacancies.

**4.20** Mental health services have a forecast overspend of £0.1m due to a £0.3m overspend on care packages partly mitigated by a (£0.2m) underspend on staffing. The overspend on care is due to increasing demand and work is ongoing to bring this area to a balanced budget.

## Adult Social Care Policy and Improvement – Forecast breakeven

- 4.21** The Policy and Improvement division is forecasting a breakeven position.

## Adult Social Care Directorate – Forecast underspend of (£0.2m)

- 4.22** The underspend is a result of the delays in recruitment to fixed term and temporary positions to provide additional capacity to improve performance, data management and reduce operational risks across the directorate.

## **Assistant Chief Executive (ACE)**

<b>Division</b>	<b>Net Budget (£m)</b>	<b>Actuals to Date (£m)</b>	<b>Forecast (£m)</b>	<b>Forecast Variance (£m)</b>
Policy, Programmes and Performance	6.1	0.8	5.9	(0.2)
Croydon Digital and Resident Access	31.8	5.7	31.7	(0.1)
Chief People Officer	2.9	0.5	3.1	0.2
Asylum Seekers and Homes for Ukraine	-	(5.7)	-	-
Central ACE	-	-	(0.1)	(0.1)
<b>Total ACE (General Fund)</b>	<b>40.8</b>	<b>1.3</b>	<b>40.6</b>	<b>(0.2)</b>
<b>Public Health Grant Ringfenced Services</b>	-	<b>(3.0)</b>	-	-

- 4.23** At period 2, the ACE directorate has a General Fund forecast underspend of £0.2m (0.4%) against a budget of £40.8m.

## Policy, Programmes & Performance Division - £0.2m forecast underspend

- 4.24** Recruitment is continuing into the new staffing structure for the Policy, Programmes and Performance Division. The forecast underspend is the result of some posts in the structure currently being held vacant.

## Croydon Digital and Resident Access Division - £0.1m forecast underspend

- 4.25** Underspends in Concessionary Travel are forecast owing to staff vacancies and a favourable final concessionary travel settlement for the year. These underspends offset a predicted overspend in Bereavement & Registrars owing to the delayed opening of Green Lawn Memorial Park.

- 4.26** The Digital and Resident Access Division is undergoing a review to achieve in-year MTFS savings for staffing and IT contracts.

## Chief People Officer Division – £0.2m forecast overspend

- 4.27** An overspend in payroll staffing is due to delay in the implementation of the payroll restructure. This has impacted the delivery of the associated MTFS saving.

Asylum Seekers and Homes for Ukraine funding – breakeven position after movement in reserves

**4.28** The Council has received Asylum Dispersal Scheme grant funding in 2023-24 of £0.9m. The unspent grant of £0.3m in 2022-23 has been carried forward to fund ongoing expenditure in 2023-24.

**4.29** The Council carried forward unspent grant under the Homes for Ukraine scheme of £5.5m, of which £1.3m is ringfenced for educational purposes. This will be used to fund ongoing expenditure in 2023-24.

Central Assistant Chief Executive - £0.1m forecast underspend

**4.30** This saving is the result of some posts in the structure currently being held vacant.

Public Health Division – breakeven position in ringfenced grant after movement in reserves

**4.31** It is currently forecast that the Public Health grant will be underspent by circa £3m in 2023-24. This will be added into the Public Health reserve. This is on top of increased one-off contributions to Public Health eligible spend across the Council, pending 2024-25 MTFs General Fund savings to be found through permanent Public Health grant allocations.

**4.32** A Council wide task and finish group has been set up to address underspends in the Public Health Grant (for the current year and the accumulated balance on the balance sheet as an earmarked Public Health reserve from underspends in previous years) by identifying appropriate commissioning opportunities.

**Children, Young People and Education (CYPE)**

Division	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Children’s Social Care	68.6	7.2	70.9	2.3
Unaccompanied Asylum Seeking Children (UASC) and Care Leavers	(0.3)	4.0	(0.1)	0.2
Quality, Commissioning and Performance Improvement	6.6	(5.2)	7.2	0.6
Non-DSG Education Services	16.8	1.1	16.8	-
Central CYPE	0.6	0.1	0.6	-
<b>Total CYPE (General Fund)</b>	<b>92.3</b>	<b>7.1</b>	<b>95.4</b>	<b>3.1</b>
<b>Dedicated Schools Grant (DSG) High Needs Education Services</b>	<b>82.6</b>	<b>26.7</b>	<b>83.3</b>	<b>0.7</b>

**4.33** At period 2, the CYPE directorate has a General Fund forecast overspend of £3.1m (3.4%) against a budget of £92.3m.

Children's Social Care Division – forecast overspend of £2.5m (including UASC and Care Leavers)

£0.9m staffing overspend owing to pension budget shortfall of £1.2m which was previously fully offset by underspends owing to vacancies and delays in recruitment  
£1.2m placements overspend owing to three high-cost placements (2 Residential Education SEND and 1 Semi-Independent)

£0.1m potential overspend on Adopt London South, over and above the agreed budget owing to interagency fees and staffing costs across the consortium calculated at year end

£0.1m under-achievement in income (including £0.5m unachieved 2022-23 MTFS NHS Funding savings which have been partially offset through other income)

£0.2m overspend on Unaccompanied Asylum Seeking Children (UASC) and Care Leavers owing to the extension of current placements and lack of independent housing for our care leavers.

- 4.34** The Children's Social Care Division will monitor placement and care package expenditure during the year. There may be staffing underspends from periods of vacancy and an underspend in legal costs (if the lower numbers of care proceedings and UASC age assessment challenges continue) to help mitigate pressures. The division is producing service level agreements for reviewed HRA funding towards Youth Engagement and Youth Offending services, and these may result in a General Fund pressure. The Division is also reviewing the housing accommodation charges from the Housing General Fund for Care Experienced Young People.

Quality, Commissioning and Performance Improvement Division – forecast overspend of £0.6m

- 4.35** The division is forecasting a staffing overspend of £0.2m from the 5% vacancy factor MTFS saving of £0.3m applied to the 2023-24 budget as a number of teams are fully staffed. The pressure may reduce during the year if there are periods of vacancy.

There is also an 2022-23 MTFS savings shortfall of £0.4m.

Non-DSG Education services – forecast breakeven

- 4.36** Non-DSG Education services are forecasting a breakeven position owing to an underspend from staffing vacancies offsetting income pressures. This includes a forecast £0.3m income shortfall from under-achievement of an historical MTFS income saving (NHS funding towards speech and language therapy) not likely to be achieved.

Dedicated Schools Grant (DSG) High Needs education services – forecast overspend of £0.655m

- 4.37** There is a High Needs forecast overspend of £0.655m against the budget of £82.566m. This initial position represents £0.070m favourable variance from the expected overspend of £0.725m submitted to the Department of Education (DfE) Safety Valve Team as part of the approved Deficit Recovery Plan. The service is still hopeful that

the original target will be met considering the increasing placement demands for complex needs pupils with limited local provision.

**4.38** See below the key areas:

£2.174m Out of Borough and Independent – Forecast overspend owing to an increase in complex cases above that expected with high top up funding placed at these sectors owing to inadequate local provisions to meet the demand type. The service is in discussions with some local providers to set up Enhanced Learning Provision in September.

£0.954m overspend owing to increased placements in Mainstream Education provision exceeding the budgeted allocation. This forms part of the invest to save SEND strategy in year 2.

(£0.250m) underspend in Early Years provision owing to successful demand management.

(£0.250m) underspend in Top up funding related to delayed implementation of the proposed expansion of Enhanced Learning Provision across a few schools.

(£0.953m) underspend in the Service Transformation budget set up to support the DSG Deficit Recovery strategy.

(£0.400m) underspend in funding related to staffing cost in therapies and support services cost owing to service re-alignment to maximise savings.

(£0.620m) expected clawback from specific Resource Provision (academies) for extra funding received from DfE.

**4.39** Dedicated Schools Grant (DSG) High Needs education services will continue to closely monitor the demands pressures in Independent and Out of Borough placement owing to costs implications. There are ongoing projects (Addington Valley Academy, St Nicholas, Coulsdon College Croydon, and Waddon Youth Disability Services) which are delivering savings to reduce pressures within the high needs block as part of the DfE Safety Valve programme. Almost all the agreed plans are within the expected milestones.

**4.40** The DSG net deficit brought forward from 2021-22 was £21.295m. The final year end position for 2022-23 was £15.384m after Safety valve payment of £10.960m. [£21.295m + £5.049 - less £10.960m from DfE Safety Valve]. The £15.384m position represents a minor adverse variance of £0.029m from the DfE target of £15.355m.

**4.41** The 2023-24 period 2 High Needs forecast outturn variance of £0.655m leads to an overall DSG deficit projection of £16.039m at the end of 2023-24 compared to the Safety Valve target of £16.080m prior to the £3.29m Deficit Recovery payment expected from the DfE as per the Safety Valve agreement.

Whilst the service is pleased with the positive variance, there are risks of adverse deviation from the Safety Valve target owing to increasing complexity of need requiring additional funding for special schools and extra out of borough placements to meet the needs of some CYP with complex needs.

## Housing

Division	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Resident Engagement and Allocations	15.6	3.1	15.6	-
Housing Estates and Improvement	0.1	0.1	0.1	-
<b>Total Housing</b>	<b>15.7</b>	<b>3.2</b>	<b>15.7</b>	<b>-</b>

**4.42** At period 2, the Housing directorate has a General Fund forecast breakeven against the budget of £15.7m.

### Emergency Accommodation – breakeven forecast

**4.43** Forecast to budget at period 2 with inflationary pressures to be covered from corporate budget. The numbers of households supported in homelessness accommodation have not increased significantly over the last year but as landlords are withdrawing accommodation from the temporary accommodation schemes more families are housed in the expensive nightly-paid B&B and hotel accommodation.

**4.44** A top-up to Homelessness Prevention Grant (HPG) of £1.9m has been announced by DLUHC to cover homelessness pressures related to Ukrainian refugees. This funding may also be used to fund wider homelessness pressures and reporting requirements are in line with the existing HPG requirements.

**4.45** There is an additional pressure owing to the corporate revision to the calculation of increase to the bad debt provision which at Period 2 is forecast to be covered by the grant top-up.

### Temporary Accommodation – breakeven forecast

**4.46** Numbers of households in temporary accommodation are expected to fall slightly and steadily across the year. Inflationary pressures will be covered through allocation from the corporate non-pay inflation budget.

**4.47** There is a potential financial risk from the fire at Sycamore House in Thornton Heath depending on the insurance claim settlement not yet finalised at period 2. This risk was considered in closing the 2022-23 accounts and so any difference in the estimated income of 70% of costs from the insurers will either be a charge or a benefit in the 2023-24 accounts.

### Other services – breakeven forecast

**4.48** There is currently a temporary structure within Housing, however a restructure is being carried out to strengthen the directorate.

**4.49** The Housing Directorate continues to be impacted by the rapidly worsening housing market within London as private sector landlords are increasing rents or leaving the market, and tenants are struggling with cost of living pressures.

- 4.50** The challenge for Croydon in dealing with such rapid inflation has multiple strands. There are forecasting difficulties in predicting how much prices are expected to move and at what pace. This is being addressed alongside a wholesale review of the forecasting process to ensure that reporting provides the full position on risk in 2023-24.
- 4.51** There are difficulties in negotiating and approving price rises without losing properties or fuelling the rises further. Regular meetings with neighbouring boroughs are being held to ensure collective agreements are being made with the larger providers of emergency accommodation.
- 4.52** There is also the issue of entering into 2 to 5 years lease deals with landlords as 39% exited the market in 2022-23 and prices have dramatically increased as a result. In 2022-23 this meant a 10% increase in the use of nightly paid accommodation was seen. The strategy work currently underway in the Directorate will address this issue.
- 4.53** There has 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 though as demand outweighs available affordable supply. At a 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.
- 4.54** Pressures are expected to continue in 2023-24. The restructure for Housing Options is underway and will form the bedrock for process change and a more cohesive journey for a homeless household. An immediate switch to better practice and dramatically reduced spend on homelessness cannot be expected within 2023-24 whilst significant change is underway, and the financial benefits are expected to be realised in the longer term.
- 4.55** Income collection rates will need to be monitored closely in 2023-24. There may be a requirement to increase the loss allowance (bad debt provision) again in 2023-24 if income collection is not significantly improved. A new housing IT system (NEC) has been implemented in June 2023 which will improve monitoring and reporting.



## Resources

Division	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Commercial Investment	18.9	3.4	18.7	(0.2)
Finance	15.7	29.3	15.7	-
Legal Services and Monitoring Officer	2.3	0.5	2.2	(0.1)
Insurance, Anti-Fraud and Risk	0.6	1.6	0.4	(0.2)
Internal Audit Service	0.4	0.3	0.5	0.1
Pensions and Treasury	0.3	0.2	0.3	-
Central Resources	(2.7)	-	(2.7)	-
<b>Total Resources</b>	<b>35.5</b>	<b>35.3</b>	<b>35.1</b>	<b>(0.4)</b>

**4.56** At period 2, the Resources directorate has a General Fund forecast underspend of £0.4m (1.2%) against a budget of £35.5m.

### Commercial Investment Division - £0.2m forecast underspend

**4.57** There is a £0.4m underspend predicted owing to staffing vacancies. This is offset by increased facilities management costs across Council properties of £0.2m.

### Finance Division – breakeven forecast

**4.58** There is a £0.5m forecast staffing underspend across the Division. This is mainly owing to predicted periods of vacancy in the Payments, Revenues, Benefits and Debt Service. This is offset by pressure on income streams in this service of £0.5m. This reflects the potential impact of cost-of-living pressures.

**4.59** A cross Council working group is currently operating to mitigate pressures by maximising HB subsidy income claims, increasing collection of HB overpayments and reducing costs. The actuals to date are high in the Division owing to Housing Benefits expenditure which will be reimbursed through DWP funding.

**4.60** The Finance Division will undergo a restructure of the accountancy service in 2023-24 and then commence recruitment into roles which are currently covered by agency staffing. The capacity and skills levels required in the accountancy service are being reviewed and a growth bid may be submitted for 2024-25 if needed.

### Legal Services and Monitoring Officer Division – £0.1m forecast underspend

**4.61** There is a £0.1m underspend in the Monitoring Officer service owing to a nil inflationary increase on Member's Allowances and staff vacancies.

**4.62** A forecast underspend in Legal Services of £0.3m owing to staff vacancies and reduced running cost expenditure. This is offset by a reduction to the recharge income forecast.

**4.63** The Legal Services and Monitoring Officer Division is reviewing usage of external legal advice, with a view to increase the inhouse staffing structure (moving budget

from external legal expenditure in directorates) to provide more legal services internally and therefore reduce overall legal expenditure for the Council.

Other Service Areas and Central Resources - £0.1m forecast underspend

- 4.64** There is a £0.2m forecast underspend in Insurance, Anti-Fraud & Risk owing to increased recharge income and staffing vacancies, which is partially offset by a £0.1m forecast overspend in Internal Audit expenditure.

**Sustainable Communities, Regeneration & Economic Recovery (SCRER)**

Division	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Sustainable Communities	50.3	7.9	50.3	-
Culture and Community Safety	8.6	0	8.6	-
Planning & Sustainable Regeneration	6.7	3.2	6.7	-
Central SCRER	-	(0.1)	-	-
<b>Total SCRER</b>	<b>65.6</b>	<b>11.0</b>	<b>65.6</b>	<b>-</b>

- 4.65** At period 2, the SCRER directorate has a General Fund forecast breakeven position against a budget of £65.6m. The main potential risk areas relate to income in the areas of parking, parking enforcement, moving traffic offence and planning.

Sustainable Communities Division - breakeven forecast

- 4.66** There is a forecast £2.5m under-achievement in parking, parking enforcement and moving traffic offence income. Demand for parking services has not returned to pre-pandemic levels and this is affecting all areas of parking which includes Automated Number Plate Recognition (ANPR), pay and display and on-street parking.
- 4.67** Parking Services have had delays in connection with the roll out of new ANPR cameras which affect the income levels within the service.
- 4.68** The Division has a forecast underspend of £2m in staffing owing to periods of vacancy and a £0.5m forecast underspend in waste services owing to reduced levels of domestic waste.
- 4.69** The Environment Act 2021 operates as the UK's new framework of environmental protection. Given that the UK has left the EU, new laws that relate to nature protection, water quality, clean air, as well as additional environmental protections that originally came from Brussels, needed to be established. The Act is a vehicle for a number of Department for Environment, Food and Rural Affairs' (Defra) different environmental policies and sets out the legal framework for significant reforms to local authority waste and recycling services, as well as creating new statutory duties for local authorities on nature recovery. The government has stated that additional burdens funding will be provided to local authorities for the new requirements as they come into force. However, the Council will need to monitor closely the extra costs involved.

- 4.70** There is a potential risk to new Roads and Street Works Act income owing to delays and disputes with utility companies. Further work is being undertaken to quantify these risks and where possible mitigate the effect.

Culture and Community Safety Division – breakeven forecast

- 4.71** The Culture and Community Safety Division leads on the London Borough of Culture 2023 activities, funded through external funding sources. This is a year-long celebration of Croydon’s unique identity, diverse communities and rich heritage, culture and creativity. The programme for “This is Croydon” showcases Croydon to the world. It includes major events with international headliners performing alongside emerging home-grown talent, plus hundreds of cultural activities from our communities.

Planning and Sustainable Regeneration Division – breakeven forecast

- 4.72** Pressures are being experienced within Building Control and Planning income owing to lower activity levels in planning major applications and planning performance agreements.

**Corporate Items and Funding**

Area of Spend	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Inflation and Economic Demand Pressures	36.6	-	36.6	-
Risk Contingency Budget	5.0	-	1.2	(3.8)
Transformation Programme	10.0	-	10.0	-
Other corporate items	(90.4)	1.2	(90.4)	-
<b>Total Corporate items and Funding</b>	<b>(38.8)</b>	<b>1.2</b>	<b>(42.6)</b>	<b>(3.8)</b>

- 4.73** At period 2, the Corporate directorate has a General Fund forecast underspend of £3.8m (9.8%) against a net budget of (£38.8m). The underspend relates to the risk contingency budget which is offsetting the pressures across the service areas.
- 4.74** The corporate area holds funding streams such as Council Tax, retained share of Business Rates and Core Grants. The corporate budget also holds the Council-wide risk contingency budget (£5m) and the budgets for borrowing and interest received.
- 4.75** The corporate area funds redundancy, severance and pension strain costs which contribute to achieving General Fund MTFs savings. There may be a pressure in 2023-24 from this area of costs owing to the implementation of staffing savings.
- 4.76** The corporate area holds the central budget for pay and non-pay inflation. The requirement for directorates will be reviewed during 2023-24 (based on inflation experienced on contracts and NJC national negotiations on the pay award for staff) and the required budget allocation may create a pressure above the central allowance of £31.1m. There is a further budget of £5.5m held centrally for the potential impact of economic demand pressures on Croydon.

- 4.77** The corporate area also holds the 2023-24 Transformation budget of £10m, which will fund work carried out in directorates and cross-Council to achieve MTFs savings and improve services for local residents and businesses. The Transformation budget reduces to £5m from 2024-25.
- 4.78** There is £7.3m budget held in Corporate for adjustments to correct General Fund recharge budgets for recharges to the HRA, Public Health, capitalisation of salaries and corporate support (overhead) recharges. This budget will be allocated during 2023-24 as the service level agreements (SLA's) are finalised for HRA and Public Health recharges, and when the review of salary capitalisation and corporate support recharges is finalised.
- 4.79** There is a funding risk in the Collection Fund if cost of living pressures impact the collection of Council Tax and Business Rates income. The impact of the Council Tax increase is partially mitigated through the Council Tax Hardship Fund (supporting low income households that cannot afford to pay their full increase in Council Tax).
- 4.80** There is borrowing cost uncertainty from interest rates (with the Bank of England currently continuing to increase the base rate) and the timing of capital receipts from asset disposals (assumed in the MTFs at circa £50m per annum).

### Transformation Programme

Project	2023-24 Draft Budget Allocation (£m)
Transformation Revenue Budget	10.000
Transformation Capital Budget	4.049
<b>Total Transformation Funding</b>	<b>14.049</b>
Approach to Strategic Planning and Commissioning	0.290
Parking Policy Review	0.200
Community Hubs Programme	0.250
HR Transformation	0.078
Digital & Resident Access Review/Digital Workforce	0.080
SEND Review	0.240
Passenger/SEND Transport Transformation	0.100
Family Justice Service Review	0.100
S117 Project	0.178
Joint Funding Arrangements	0.110
Sustaining Demand at the Front Door	0.190
Fostering Transformation	0.286
Dynamic Purchasing System	0.920
Callydown Transformation	0.134
Income & Debt Review	0.050
Outcomes Based Domiciliary Care Model	0.110
Transition Commissioning Care Model	0.082
Croydon Campus	0.250
Customer Access Review	0.200

<b>Project</b>	<b>2023-24 Draft Budget Allocation (£m)</b>
Building Control Transformation	0.450
Planning & CIL Transformation	0.300
CALAT	0.050
Housing Needs Restructure	0.060
Temporary Accommodation Case Review	0.291
Housing Occupancy Checks	0.291
Rent Accounts and Data Cleanse	0.026
Housing Association Recharges	0.059
Supported Housing Review	0.080
Adult Social Care Transformation	1.100
Review of Social Care Placements	0.461
Reablement & Hospital Discharge	0.060
Strategic Operating Model Design Partner	0.500
Transformation PMO	1.100
<b>Total Revenue and Capital Budget Allocated to Date</b>	<b>7.848</b>
Unallocated To Date	6.201

- 4.81** The Transformation Programme has £14m of resources allocated to it, £4m in the 2022-23 Capital Programme and £10m in the 2023-24 revenue budget. The Transformation Programme published in November 2022 set out £5.9m of project commitments with recognition that further sums were still to be confirmed. Capital funding can only be utilised for spend that creates an asset, eg. an IT system. Please note that project plans are under development and following review of these project plans the draft budget allocations to projects as listed above could change through the year.
- 4.82** A new project to review the Croydon Adult Learning and Training (CALAT) service has been added to the programme with an initial £0.050m budget approved by the Corporate Director of Resources (S151 Officer).
- 4.83** The Transformation Board has agreed additional project allocations totalling £1.4m. The 'Review of Social Care Placements' project has secured £600,000 alternative funding from the Market Sustainability Grant thereby reducing the funding required from the Transformation budget. The revenue budget also funds the costs of the transformation Programme Management Office currently estimated at £1.1m
- 4.84** In total there is currently £7.8m of the Transformation Programme budget allocated with £6.2m unallocated.

## Savings

**4.85** The 2023-24 budgets include a challenging new savings target of £33.1m. Progress in achieving savings is being monitored throughout the year. Directorates are identifying any risks to achievement of individual savings and making plans to mitigate these risks where possible or identify alternative savings as required.

**Table showing 2023-24 forecast savings achievement by directorate**

2023-24						
Savings target £'000	Slippage from previous year £'000	Revised Savings target £'000	Forecast savings achievable £'000	Savings slippage £'000	Unachievable or (over delivery) £'000	
<b>Directorate</b>						
Adult Social Care & Health	12,243	-	12,243	10,368	1,875	
Assistant Chief Executive	2,924	-	2,924	2,924	-	
Children, Young People & Education	6,920	490	7,410	5,842	1,500	
Housing	2,305	-	2,305	1,309	(103)	
Resources	6,347	-	6,347	6,347	-	
Sustainable Communities (SCRER)	1,859	2,490	4,349	4,124	-	
Cross-Directorate / Corporate	500	-	500	500	-	
<b>Total</b>	<b>33,098</b>	<b>2,980</b>	<b>36,078</b>	<b>31,414</b>	<b>3,272</b>	

## Reserves

**4.86** There are no budgeted contributions to, or drawdowns from, the General Fund balances of £27.5m in 2023-24. The current breakeven forecast for 2023-24 maintains this reserve.

General Fund Balances	Forecast (£m)
<b>Balance at 1 April 2023</b>	<b>27.5</b>
Forecast Contribution to/(Drawdown from) Reserves	-
<b>Forecast Balance at 31 March 2024</b>	<b>27.5</b>

**4.87** The General Fund balances serve as a cushion should any overspend materialise by the end of 2023-24. 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.

## Unresolved Issues

- 4.88** The Council's overall financial position is still subject to a number of unresolved historic legacy issues. The latest position on these was set out in the 22 February 2023 Cabinet report titled 'Revenue Budget and Council Tax Levels 2023-24' which incorporated the findings of the 'Opening the Books' review undertaken in 2022-23. The report stated that 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.
- 4.89** 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 to Cabinet in November 2022.
- 4.90** The Council's Provision for Bad Debt was found to be understated by £46m rather than the £20m previously assumed and a prudent decision was made to include the potential £70m gap in the accounts caused by incorrect accounting for Croydon Affordable Homes and Tenures, instead of the £9m previously assumed.
- 4.91** With four years of accounts still open, there remains a risk that further legacy issues will be uncovered. The Capital Programme for 2022-23 included the £161.6m Capitalisation Direction requested, which was in addition to the £25m capitalisation direction previously approved.

## Housing Revenue Account (HRA)

- 4.92** At period 2, the Housing Revenue Account (HRA) has a forecast overspend of £1.7m.

### Repairs

£3.8m overspend on disrepair costs including void and repair costs, legal fees and settlement costs.

### Tenancy and Income

Breakeven forecast at period 2. Additional budget was allocated in 2023-24 to meet known pressures.

### Staffing and other

(£1.6m) underspend from staffing vacancies owing to difficulties recruiting to specialist posts.

(£0.5m) underspend on non-pay expenditure (including the contingency budget).

**Table showing the 2023-24 HRA forecast**

Description	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Rental Income	(82.1)	(12.1)	(82.1)	-
Service Charge Income	(4.6)	(0.7)	(4.6)	-
Other Income	(9.4)	1.0	(9.4)	-
<b>Subtotal Income</b>	<b>(96.1)</b>	<b>(11.8)</b>	<b>(96.1)</b>	-
Centralised Directorate expenditure	52.2	(0.9)	50.1	(2.1)
Responsive Repairs & Safety	20.4	4.6	24.2	3.8
Asset Planning	1.6	0.1	1.6	-
Capital Delivery (Homes & Schools)	1.5	0.1	1.5	-
Tenancy & Resident Engagement	10.3	4.6	10.3	-
Homelessness & Assessments	3.4	0.4	3.4	-
Service development and income	6.7	0.0	6.7	-
<b>Subtotal Expenditure</b>	<b>96.1</b>	<b>8.9</b>	<b>97.8</b>	<b>1.7</b>
<b>Total HRA Net Expenditure</b>	<b>-</b>	<b>(2.9)</b>	<b>1.7</b>	<b>1.7</b>

**4.93** The main risks within the Housing Revenue Account are:

- Repairs and maintenance:
  - pressures from the exit of the current Axis repairs contract, ending in August 2023.
  - extra expenditure to deal with the backlog of repairs and maintenance.
  - void and disrepair costs carried out by specialist contractors to reduce void losses and minimise future disrepair claims.
  - settlement of disrepair cases and related legal fees, including those relating to Regina Road.
  
- Tenancy and income:
  - the impact of cost of living pressures on rent collection (including a potential increase in bad debt cost).
  - loss of income due to void (empty) residential properties.
  - loss of income due to void garages.
  
- Recharge review:
  - General Fund services are producing service level agreements (SLA's) to evidence recharges of costs to the HRA, which could result in increased charges to the HRA.



## **Capital Programme and Financial Sustainability**

- 4.94** The Capital strategy and programme was approved by Council in March 2023. This recognised the complex and challenging financial and operational circumstances in which the Council continues to operate. It showed a 2023-24 Capital Programme that is reduced in scale and cost compared to previous years. With circa £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.
- 4.95** The strategy reflected 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.
- 4.96** Concerns were highlighted regarding value for money and investment decisions as the Council has incurred 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 2017-20 the Council borrowed £545m 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 repayment levels.
- 4.97** An estimated circa £66m is required to service this debt from the General Fund which represents around 16% of the Council's net budget. The Council's historic legacy borrowing and debt burden has, therefore, become critical to the sustainability of the Council's revenue budget.
- 4.98** The Council has concluded that the expenditure it is anticipated to incur in each year of the period of 2023-27 is likely to exceed the financial resources available and that reaching financial and operational sustainability without further government assistance will not be possible. The Council's 2023-24 budget required capitalisation directions from government of £63m to balance and the Medium Term Financial Strategy (MTFS) demonstrated an ongoing estimated budget gap of £38m per annum from 2024-25.
- 4.99** Dialogue with the 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 historic legacy indebtedness and balancing the budget to ensure it can deliver sustainable local government services. It must be noted that annual capitalisation directions (transferring revenue cost into capital cost which must be funded over 20 years) increases the Council's debt burden. Debt write-off is the Council's preferred option and, therefore, a request was made to DLUHC in January 2023 for government funding to write-off £540m of the Council's General Fund debt.

DLUHC has subsequently asked the Council to propose a wider range of options, and these are currently being worked on.

### Capital Programme Budget Changes

**4.100** The 2023-24 capital budgets agreed at the Council budget meeting in March 2023 were £124.369m for General Fund and £32.623m for the HRA.

**4.101** The following General Fund capital budget adjustments are requested to be agreed by Cabinet:

Scheme	2023-24 budget increase / (decrease) £m	Comments
Bereavement Services	0.127	Increase to apply slippage from 2022-23
My Resources Interface	0.067	Increase to apply slippage from 2022-23
Network Refresh	0.013	Increase to apply slippage from 2022-23
Technology Refresh	(0.168)	Reduction to future year budget due to expenditure incurred earlier in 2022-23
Geographical Information Systems	0.052	Increase to apply slippage from 2022-23
Laptop Refresh	0.022	Increase to apply slippage from 2022-23
Cloud and DR	0.110	Increase to apply slippage from 2022-23
Synergy Education System	0.372	Increase to apply slippage from 2022-23
NEC Housing System	0.961	Increase to apply slippage from 2022-23 (partially HRA funded)
Uniform ICT Upgrade	0.056	Increase to apply slippage from 2022-23
Education – Fire Safety Works	0.772	Increase to apply slippage from 2022-23 (DfE grant funded)
Education - Fixed Term Expansions	0.325	Increase to apply slippage from 2022-23 (DfE grant funded)
Education - Major Maintenance	1.666	Increase to apply slippage from 2022-23 (DfE grant funded)
Education - Miscellaneous	0.100	Increase to apply slippage from 2022-23 (DfE grant funded)
Education - Permanent Expansion	0.297	Increase to apply slippage from 2022-23 (DfE grant funded)
Education - SEN	1.497	Increase to apply slippage from 2022-23 (CIL and DfE grant funded)
Disabled Facilities Grant	1.717	Increase to apply slippage from 2022-23 (DFG grant funded)
Corporate Property Maintenance	0.580	Increase to apply slippage from 2022-23
Corporate Property Maintenance	(0.300)	Reduction to 2023-24 budget to align to expected overall spend
Fairfield Halls - Council	0.125	Increase to apply slippage from 2022-23
Growth Zone	7.245	Budget increase to reflect Annual Delivering the Growth Zone Report presented to Cabinet on 22 February 2023

<b>Scheme</b>	<b>2023-24 budget increase / (decrease) £m</b>	<b>Comments</b>
Grounds Maintenance Insourced Equipment	1.000	Increase to apply slippage from 2022-23 due to delay in delivery of equipment.
Highways	(0.532)	Reduction to future year budget due to expenditure incurred earlier in 2022-23.
Highways - flood water management	(0.031)	Reduction to future year budget due to expenditure incurred earlier in 2022-23.
Highways - bridges and highways structures	(0.695)	Reduction to future year budget due to expenditure incurred earlier in 2022-23.
Highways - Tree works	0.050	Increase to apply slippage from 2022-23 (GLA grant funded)
Local Authority Tree Fund	0.016	Increase to apply slippage from 2022-23 (Forestry Commission grant funded)
Trees Sponsorship	0.042	Increase to apply slippage from 2022-23 (Trees for Streets grant funded)
Leisure centres equipment contractual agreement	(0.007)	Reduction to future year budget due to expenditure incurred earlier in 2022-23.
Leisure Equipment Upgrade	(0.017)	Reduction to future year budget due to expenditure incurred earlier in 2022-23.
Tennis Court Upgrade	0.075	Increase to apply slippage from 2022-23
Libraries Investment - General	0.224	Increase to apply slippage from 2022-23
Parking	0.507	Increase to apply slippage from 2022-23
Cashless Pay & Display	0.366	Increase to apply slippage from 2022-23
Play Equipment	(0.283)	Reduction to future year budget due to expenditure incurred earlier in 2022-23.
Safety - digital upgrade of CCTV	1.540	Increase to apply slippage from 2022-23
South Norwood Good Growth	0.634	Increase to apply slippage from 2022-23 (GLA grant & S106 funded)
Kenley Good Growth	0.140	Addition due to extra GLA grant funding received
Kenley Good Growth	(0.011)	Reduction to future year budget due to expenditure incurred earlier in 2022-23.
Sustainability Programme	0.550	Increase to apply slippage from 2022-23 (CIL funded)
TFL - LIP	(5.544)	Budget reduction to reflect decreased levelling up grant funding
Cycle Parking	0.226	Increase to apply slippage from 2022-23 (TfL grant and S106 funded)
Electric Vehicle Charging Point (EVCP)	0.651	Increase to apply slippage from 2022-23 (ORCS, TFL & VPACH grant & S106)
Waste and Recycling Investment	1.558	Increase to apply slippage from 2022-23
Transformation Spend (Flexible Capital Receipts)	3.868	Increase to apply slippage from 2022-23
<b>Total GF capital budget change</b>	<b>19.963</b>	

**4.102** The following HRA capital budget adjustments are requested to be agreed by Cabinet:

<b>Scheme</b>	<b>2022-23 budget increase / (decrease) £m</b>	<b>2023-24 budget increase / (decrease) £m</b>	<b>Comments</b>
Major Repairs and Improvements Programme	9.399		The HRA spent more than budgeted in 2022-23 (funded by reserves) due to over-achievement in delivering repairs. It is requested that the multi-year budget agreed by Council in March 2023 is increased so that the 2023-24 budget can continue at the level agreed in March (not reduced by the previous year over-achievement).
Regina Road	1.400		This capital budget addition was for the purchase of land to support the Regina Road regeneration scheme and has been funded through HRA reserves.
Affordable Housing	0.433		This capital budget addition was for the purchase of Affordable Housing and was funded through Section 106 monies.
NEC Housing System		0.625	Increase to apply slippage from 2022-23.
<b>Total HRA capital budget change</b>	<b>11.232</b>	<b>0.625</b>	

### **General Fund Capital Programme**

**4.103** At period 2, the General Fund capital programme has a forecast underspend of £0.040m against the revised budget (to be agreed by Cabinet) of £144.332m.

#### **Table showing 2023-24 General Fund Capital Programme budget and forecast**

<b>General Fund Capital Scheme</b>	<b>2023-24 Original Budget (agreed at Council March 2023)  (£000's)</b>	<b>2023-24 Proposed Revised Budget (to be agreed by Cabinet)  (£000's)</b>	<b>2023-24 Actuals to Date  (£000's)</b>	<b>2023-24 Forecast  (£000's)</b>	<b>2023-24 Forecast Variance (against proposed revised budget)  (£000's)</b>
Bereavement Services	-	127	(84)	127	-
My Resources Interface Enhancement	185	252	-	252	-
ICT	-	-	1	-	-
Network Refresh	335	348	8	348	-
Tech Refresh	300	132	84	132	-
Geographical Information Systems	260	312	-	312	-
Laptop Refresh	3,349	3,371	-	3,371	-

<b>General Fund Capital Scheme</b>	<b>2023-24 Original Budget (agreed at Council March 2023)</b>	<b>2023-24 Proposed Revised Budget (to be agreed by Cabinet)</b>	<b>2023-24 Actuals to Date</b>	<b>2023-24 Forecast</b>	<b>2023-24 Forecast Variance (against proposed revised budget)</b>
	<b>(£000's)</b>	<b>(£000's)</b>	<b>(£000's)</b>	<b>(£000's)</b>	<b>(£000's)</b>
Cloud and DR	221	331	26	331	-
People ICT	-	-	1	-	-
Synergy Education System	673	1,045	-	1,045	-
NEC Housing System	1,764	2,725	(37)	2,725	-
Uniform ICT Upgrade	-	56	-	56	-
<b>Subtotal Assistant Chief Executive</b>	<b>7,087</b>	<b>8,699</b>	<b>(1)</b>	<b>8,699</b>	<b>-</b>
Education – Fire Safety Works	152	924	-	924	-
Education - Fixed Term Expansions	2,540	2,865	146	2,865	-
Education - Major Maintenance	4,200	5,866	280	5,866	-
Education - Miscellaneous	-	100	-	100	-
Education - Permanent Expansion	-	297	-	297	-
Education - SEN	4,792	6,289	35	6,289	-
Angel Lodge Children Home	329	329	-	329	-
<b>Subtotal CYPE</b>	<b>12,013</b>	<b>16,670</b>	<b>461</b>	<b>16,670</b>	<b>-</b>
Disabled Facilities Grant	2,993	4,710	(199)	4,710	-
Empty Homes Grants	400	400	(15)	400	-
<b>Subtotal Housing</b>	<b>3,393</b>	<b>5,110</b>	<b>(214)</b>	<b>5,110</b>	<b>-</b>
Asset Strategy - Stubbs Mead	500	500	-	500	-
Asset Strategy Programme	240	240	-	240	-
Clocktower Chillers	382	382	-	382	-
Corporate Property Maintenance Programme	2,500	2,780	42	2,730	(50)
Fairfield Halls - Council	500	625	-	625	-
Former New Addington Leisure Centre	600	600	-	600	-
Fieldway Cluster (Timebridge Community Centre)	248	248	-	248	-
Contingency	1,000	1,000	-	1,000	-
<b>Subtotal Resources</b>	<b>5,970</b>	<b>6,375</b>	<b>42</b>	<b>6,325</b>	<b>(50)</b>
Allotments	-	-	(14)	-	-
Growth Zone	4,000	11,245	10	11,245	-
Grounds Maintenance Insourced Equipment	200	1,200	-	1,200	-
Highways	8,618	8,086	-	8,086	-
Highways - flood water management	435	404	-	404	-
Highways - bridges and highways structures	1,663	968	20	968	-
Highways - Tree works	-	50	26	50	-
Local Authority Tree Fund	67	83	10	83	-

<b>General Fund Capital Scheme</b>	<b>2023-24 Original Budget (agreed at Council March 2023)</b>	<b>2023-24 Proposed Revised Budget (to be agreed by Cabinet)</b>	<b>2023-24 Actuals to Date</b>	<b>2023-24 Forecast</b>	<b>2023-24 Forecast Variance (against proposed revised budget)</b>
	<b>(£000's)</b>	<b>(£000's)</b>	<b>(£000's)</b>	<b>(£000's)</b>	<b>(£000's)</b>
Trees Sponsorship	-	42	10	42	-
Leisure centres equipment contractual agreement	146	139	-	139	-
Tennis Court Upgrade	-	75	-	75	-
Leisure Equipment Upgrade	165	148	-	148	-
Libraries Investment - General	807	1,031	(410)	1,031	-
Central Library Digital Discovery Zone	175	175	-	175	-
New Investment to South Norwood Library	520	520	-	520	-
Parking	1,336	1,843	10	1,843	-
Cashless Pay & Display	1,097	1,463	-	1,463	-
Play Equipment	300	17	27	27	10
Safety - digital upgrade of CCTV	-	1,540	(11)	1,540	-
HIGHWAY Road Markings/Signs (Refresh)	137	137	-	137	-
South Norwood Good Growth	139	773	9	773	-
Kenley Good Growth	265	394	(267)	394	-
Sustainability Programme	550	1,100	-	1,100	-
TFL - LIP	10,112	4,568	70	4,568	-
Cycle Parking	106	332	-	332	-
Electric Vehicle Charging Point (EVCP)	368	1,019	-	1,019	-
Park Asset Management	700	700	-	700	-
Waste and Recycling Investment	1,000	2,558	-	2,558	-
<b>Subtotal SCRER</b>	<b>32,906</b>	<b>40,610</b>	<b>(510)</b>	<b>40,620</b>	<b>10</b>
Capitalisation Direction	63,000	63,000	-	63,000	-
Transformation Spend (Flexible Capital Receipts)	-	3,868	-	3,868	-
<b>Subtotal Corporate Items and Funding</b>	<b>63,000</b>	<b>66,868</b>	<b>-</b>	<b>66,868</b>	<b>-</b>
<b>TOTAL GENERAL FUND CAPITAL</b>	<b>124,369</b>	<b>144,332</b>	<b>(222)</b>	<b>144,292</b>	<b>(40)</b>

**Table showing General Fund Capital Programme Financing**

<b>General Fund Capital Financing</b>	<b>2023-24 Original Budget (agreed at Council March 2023)</b>	<b>2023-24 Proposed Revised Budget (to be agreed by Cabinet)</b>	<b>2023-24 Forecast</b>	<b>2023-24 Forecast Variance (against proposed revised budget)</b>
	<b>(£000's)</b>	<b>(£000's)</b>	<b>(£000's)</b>	<b>(£000's)</b>
CIL	1,628	9,684	9,684	-
s106	1,606	1,712	1,712	-
Grants & Other Contributions	24,266	25,832	25,832	-
Growth Zone	4,900	12,145	12,145	-
HRA Contributions	1,147	1,772	1,772	-
Capital Receipts	45,000	48,868	48,868	-
Borrowing	45,823	44,320	44,279	(40)
<b>Total GF Capital Financing</b>	<b>124,369</b>	<b>144,332</b>	<b>144,292</b>	<b>(40)</b>

**4.104** The Council is identifying alternative funding for the extra forecast cost of play equipment of £10k to avoid the use of borrowing. This could include the application of Section 106 funding. The Corporate Property Maintenance Programme is currently forecasting to use £50k less borrowing in 2023-24, so the overall forecast use of borrowing is currently £40k lower than budgeted.

**HRA Capital Programme**

**4.105** At period 2, the HRA capital programme has a forecast overspend of £4.1m (12%) against the revised budget (to be agreed by Cabinet) of £33.248m. This is due to increased repairs and improvements activity to reduce the backlog of repairs.

**Table showing 2023-24 HRA Capital Programme budget and forecast**

<b>HRA Capital Scheme</b>	<b>2023-24 Original Budget (agreed at Council March 2023)</b>	<b>2023-24 Proposed Revised Budget (to be agreed by Cabinet)</b>	<b>2023-24 Actuals to Date</b>	<b>2023-24 Forecast</b>	<b>2023-24 Forecast Variance (against proposed revised budget)</b>
	<b>(£000's)</b>	<b>(£000's)</b>	<b>(£000's)</b>	<b>(£000's)</b>	<b>(£000's)</b>
Major Repairs and Improvements Programme	31,476	31,476	5,234	35,549	4,073
NEC Housing System	1,147	1,772	-	1,772	-
<b>TOTAL HRA CAPITAL</b>	<b>32,623</b>	<b>33,248</b>	<b>5,234</b>	<b>37,321</b>	<b>4,073</b>

## HRA Capital Programme Financing

HRA Capital Financing	2023-24 Original Budget (agreed at Council March 2023)  (£000's)	2023-24 Proposed Revised Budget (to be agreed by Cabinet)  (£000's)	2023-24 Forecast  (£000's)	2023-24 Forecast Variance (against proposed revised budget)  (£000's)
MRR	15,457	16,082	16,082	-
Revenue	13,900	13,900	13,900	-
Reserves	1,148	1,148	5,221	4,073
Right To Buy (RTB) Receipts	2,118	2,118	2,118	-
<b>Total HRA Capital Financing</b>	<b>32,623</b>	<b>33,248</b>	<b>37,321</b>	<b>4,073</b>

**4.106** It is currently assumed that the forecast overspend in the Major Repairs and Improvements Programme will be financed through HRA reserves, however the source of HRA financing is still to be finalised.

## 5 ALTERNATIVE OPTIONS CONSIDERED

5.1 None.

## 6 CONSULTATION

6.1 None.

## 7. CONTRIBUTION TO COUNCIL PRIORITIES

7.1 The monthly financial performance report supports the Mayor's Business Plan 2022-2026 objective one "The council balances its books, listens to residents and delivers good sustainable services".

## 8. IMPLICATIONS

### 8.1 FINANCIAL IMPLICATIONS

8.1.1 Finance comments have been provided throughout this report.

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



- 8.1.3** The Council currently has a General Fund Reserve of £27.5m which serves as a cushion should any overspend materialise by the end of 2023-24. 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.
- 8.1.4** The Council's historic legacy borrowing and debt burden continues to be critical to the sustainability of the Council's revenue budget. Dialogue with the 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.

Comments approved by Allister Bannin, Director of Finance (Deputy s151 Officer).

## **8.2 LEGAL IMPLICATIONS**

- 8.2.1** The Council is under a statutory duty to ensure that it maintains a balanced budget and to take any remedial action as required in year.
- 8.2.2** 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.
- 8.2.3** 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.
- 8.2.4** 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.
- 8.2.5** As the government funding for the Homelessness Prevention Grant (£1.9m) and Asylum Dispersal Scheme (£0.9m) relate to executive functions of the Council, the Executive Mayor's approval is sought to receive the grants and apply them to the specific purposes for which they have been provided. By its nature, the additional expenditure is fully funded and is in accordance with budgetary

framework rules. Actual spend decisions will be made by officers in accordance with the Executive Mayor's Scheme of Delegation and the Constitution.

Comments approved by Looqman Desai, Deputy Monitoring Officer on behalf of the Director of Legal Services and Monitoring Officer.

### **8.3 HUMAN RESOURCES IMPLICATIONS**

**8.3.1** 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.

**8.3.2** 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, the Guardians programme, and other appropriate sources of assistance and advice on the Council's intranet.

Comments approved by Dean Shoesmith, Chief People Officer.

### **8.4 EQUALITIES IMPLICATIONS**

**8.4.1** The Council has a statutory duty to comply with the public sector equality duty set out in section 149 of the Equality Act 2010. The Council must therefore have due regard to the need to:

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

**8.4.2** In setting the Council's budget for 2023-2024, 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.

- 8.4.3** This report sets out a number of proposals that will change the services and provisions we provide for residents across Croydon. These proposals are subject to further work decisions.
- 8.4.4** The Council must, therefore, ensure that we have considered any equality implications. The Council has an established Equality Impact Assessment [EqIA] 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.
- 8.4.5** Assessing the impact of proposed changes to policies, procedures, services and organisational change is not just something the law requires; it is a positive opportunity for the council to ensure it makes better decisions, based on robust evidence.
- 8.4.6** Our approach is to ensure the equality impact assessments are data led, using user information, demographic data and forecasts, as well as service specific data and national evidence to fully understand the impact of each savings proposal. This enables the Council to have proper regard to its statutory equality duties.
- 8.4.7** We have a large number of vulnerable children and asylum seekers who are in need of our services. We have also been faced with the rise of costs of the provision of adult social care, which has been exasperated following the pandemic. Alongside this our residents are dealing with the increased cost of living. We have supported residents by providing mitigation for changes where possible and signposting to other support organisations in the borough who can provide support. We will continue to seek mitigation during the equality analysis process where possible.
- 8.4.8** Our initial data suggests that residents across all equality characterises may be affected by changes. National and local data highlights that this may have a greater impact on race, disabilities, sex, pregnancy and maternity and age. We will continue to assess the impact and strive to improve our evidence and data collection, to enable us to make informed decisions.
- 8.4.9** Where consultations take place, we will ensure that we make it accessible for all characteristics including those with disabilities including neurodiversity by ensuring that we adopt Disability standards in our consultation platform. Notwithstanding those residents who are digitally excluded. We will also consult using plain English to support our residents who do not have English as a first language.
- 8.4.10** With regard to potential staff redundancies, as a diverse borough we will undertake equality analysis and seek mitigation for staff by offering redeployment and employability support. We will also assess the impact of job losses on protected characteristics. We will also ensure that disabled staff are treated more favourably

during restructure in that they will be required to meet the minimum standard prior to being offered an interview.

**8.4.11** Research from existing EQIAs identifies that rising costs impact on some Disabled groups, communities from the Global Majority, African, Asian, African Caribbean households, young people, some people aged 15 – 64 and some people in the pregnancy/maternity characteristic . Research also indicates that there is an intersectional impact on young people from the Global Majority and both Disabled and Dual Heritage communities. Deprivation in borough is largely focused in the north and the east where the Global Majority of residents from the African, African Caribbean and Asian communities reside.

Comments approved by Denise McCausland, Equalities Programme Manager, Policy and Strategy 26/06/23.

## **9. APPENDICES**

**9.1** None.

## **10. BACKGROUND DOCUMENTS**

**10.1** None.

## LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	Scrutiny and Overview Committee
<b>DATE</b>	25 July 2023
<b>REPORT TITLE:</b>	Scrutiny Recommendations
<b>LEAD OFFICER:</b>	Simon Trevaskis – Senior Democratic Services & Governance Officer - Scrutiny
<b>PERSON LEADING AT SCRUTINY COMMITTEE MEETING:</b>	Councillor Rowenna Davis – Chair of the Scrutiny & Overview Committee
<b>ORIGIN OF ITEM:</b>	The Scrutiny & Overview Procedure Rules in the Council's Constitution requires recommendations from Scrutiny Sub-Committee's to be submitted to the Committee for its comment and consideration, before approving their submission to the appropriate decision maker.
<b>PUBLIC/EXEMPT:</b>	Public

### 1 SUMMARY

- 1.1. The This report sets out for the consideration of the Committee the recommendations arising from recent meetings of its Sub-Committee. These are presented in accordance with the Council's Constitution for approval by the Committee for submission to the appropriate decision maker.

### 2 RECOMMENDATIONS

- 2.1. The Scrutiny & Overview Committee is recommended to:
1. Approve the recommendations made by its Sub-Committees for submission to the Executive Mayor for his consideration.

### 3 SCRUTINY SUB-COMMITTEE RECOMMENDATIONS

- 3.1. Paragraph 1.5 (iii & iv) of Part 4E – Scrutiny and Overview Procedure Rules of the Council's Constitution sets out the requirement that recommendations made by Scrutiny Sub-Committees should be submitted for the consideration of the Scrutiny & Overview Committee, to approve their submission to the relevant decision maker.
- 3.2. The exception to this requirement is for specific powers delegated to Sub-Committee relating to the scrutiny of Health Services and the duties and functions of the Council as an Education Authority. For these matters, the relevant Sub-Committee can make direct recommendations.

- 3.3. Set out in the appendices are the recommendations arising from the meeting of the Children & Young People Sub-Committee held on 27 June 2023, and the Streets and Environment Sub-Committee held on 11 July 2023.
- 3.4. The Committee is asked to review this recommendation and confirm its approval for them to be submitted to the next available meeting of the Cabinet for consideration.

#### **4 APPENDICES**

- 4.1. Appendix 1: Recommendations from Children & Young People Sub-Committee held on 27 June 2023
- 4.2. Appendix 2: Recommendations from Streets and Environment Sub-Committee held on 11 July 2023

## Appendix 1 – Recommendations arising from Children & Young People Sub-Committee; 27 June 2023

### Item: Early Help, Children's Social Care and Education Dashboard

Recommendation Number	Recommendation	Political Lead	Officer Lead
CYP.1.23/24	The Sub-Committee recommended that the narrative on future versions of the Early Help, Children's Social Care and Education Dashboard report looked to identify where indicators were linked or interdependent, to ensure Members had a fuller understanding of these.	Cllr Maria Gatland - CYP	Debbie Jones

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## Appendix 2 – Recommendations arising from Streets & Environment Sub-Committee; 11 July 2023

### Item: Parking Policy Transformation Project

Recommendation Number	Recommendation	Political Lead	Officer Lead
SE.5.23/24	The Sub-Committee recommends that 'Letter Drops', or similar targeted communications, on Parking Policy are undertaken in District Centres that had not already been engaged or are not being actively engaged through local Business Improvement Districts before any changes to Parking Policy are enacted.	Councillor Scott Roche	Jayne Rusbatch
SE.6.23/24	The Sub-Committee recommends that an improved parking map is developed for the Council website, which included Controlled Parking Zones and Restricted Parking Areas.	Councillor Scott Roche	Jayne Rusbatch
SE.7.23/24	The Sub-Committee recommended that a Task Group was established for engaging with disabled residents and disabled-led organisations (such as Transport for All) on parking policy, to ensure that disabled parking bays were best placed on the road for users and that roads and footways were accessible, as part of the work for Policy three - 'Supporting our Disabled Residents'.	Councillor Scott Roche	Jayne Rusbatch

SE.8.23/24	The Sub-Committee recommends that a process is put in place to provide follow-up communication on the outcome, to residents who reported parking for enforcement action through the parking hotline or 'Love Clean Streets' app.	Councillor Scott Roche	Jayne Rusbatch
SE.9.23/24	The Sub-Committee recommends that there is comprehensive communications planned with residents should areas transition from parking meters to cashless parking, including a full publicity campaign and video walk-through.	Councillor Scott Roche	Jayne Rusbatch

**Item: Consultation on the Local Flood Risk Management Strategy**

<b>Recommendation Number</b>	<b>Recommendation</b>	<b>Political Lead</b>	<b>Officer Lead</b>
SE.10.23/24	The Sub-Committee recommends that steps be taken to publish the Flood Risk Register on the Council's website to ensure that this was transparent and accessible to residents.	Councillor Scott Roche	Steve Iles
SE.11.23/24	The Sub-Committee recommends the implementation of a publicly accessible Geographic Information System (GIS) for Croydon.	Councillor Scott Roche	Steve Iles
SE.12.23/24	The Sub-Committee recommends that the expertise of an arborist be sought, to feed into the Local Flood Risk Management Strategy, and that more thought should be put into how 'Blue and Green corridors' can be expanded, alongside other nature based solutions, to provide additional flood prevention measures using existing grant funding available to the Council.	Councillor Scott Roche	Steve Iles

SE.13.23/24	The Sub-Committee recommends that the Council implement a year-round publicity campaign on flood prevention, as it felt that beginning publicity in the winter would reduce its effectiveness.	Councillor Scott Roche	Steve Iles
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## LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>Scrutiny &amp; Overview Committee</b>	
<b>DATE OF DECISION</b>	<b>25 July 2023</b>	
<b>REPORT TITLE:</b>	<b>Scrutiny Work Programme 2023-24</b>	
<b>CORPORATE DIRECTOR / DIRECTOR:</b>	<b>Stephen Lawrence-Orumwense Director of Legal Services and Monitoring Officer</b>	
<b>LEAD OFFICER:</b>	<b>Adrian May Interim Head of Democratic Services</b>	
<b>LEAD MEMBER:</b>	<b>Councillor Rowenna Davis - Chair of the Scrutiny &amp; Overview Committee</b>	
<b>AUTHORITY TO TAKE DECISION:</b>	<p>In accordance with paragraph 1.2 (vi) of Part 4E - Scrutiny and Overview Procedure Rules, in the Council's Constitution, the Committee should agree an initial scrutiny work programme at its first full meeting after the Annual Council meeting.</p> <p>At the first meeting of the Scrutiny &amp; Overview Committee on 6 June 2023, the principles that would underpin the work programme were agreed, with the intention that a draft work programme would be brought back to the next meeting for sign off.</p>	
<b>CONTAINS EXEMPT INFORMATION?</b>	<b>No</b>	Public
<b>WARDS AFFECTED:</b>	N/A	

### 1. SCRUTINY WORK PROGRAMME 2023-24

- 1.1. This report sets out for the agreement of the Scrutiny & Overview Committee the work programmes of the Committee and its Sub-Committees. This follows on from a report considered by the Committee at its previous meeting on 6 June 2023, which agreed that the financial sustainability of the Council would be a key focus. It was also agreed that the following principles would be used as the basis for the work programme:-
1. **The Public's Money.** Scrutiny wants reassurance that taxpayers' money is put to best use. At a time when the Council is making cuts to balance the books, it has no money to waste. In the middle of a cost-of-living crisis, every pound of public money should be valued. Scrutiny will aim to look at the impact of any financial

decisions on the public and the Council's finances, including knock-on effects. We will aim to research best practice and to provide suggestions as well as criticism.

2. **The Public's Services.** Scrutiny wants reassurance that services are improving. This is about leadership, culture and organisation as much as it is about budgets. We will seek reassurance that even in difficult financial circumstances, we are still meeting our duty of care to the most vulnerable. Scrutiny will listen and learn from the public's experiences of service performance to guide its work on Croydon's transformation.
3. **The Public's Voice.** Scrutiny wants to make sure that the Council is transparent, open and engaging with the people it exists to serve. Scrutiny will monitor the planned improvements in governance for Croydon's local democracy, as well as inviting public voices into the Scrutiny process itself. The Mayor was elected on a mandate to "listen to Croydon" and Scrutiny will hold the executive to account for this pledge.

- 1.2. By the time of the Scrutiny & Overview Committee meeting on 25 July, each of the Sub-Committee's will have met to review their draft work programmes. These, along with the draft work programme for the Committee are appended to this report for the agreement of the Committee.

## **2. RECOMMENDATIONS**

- 2.1. The Scrutiny & Overview Committee is asked to: -
  1. Agree the Scrutiny Work Programme for 2023-24 (as set out in Appendix 1)
  2. Consider whether there are any other items that should be provisionally added to the work programme as a result of the discussions held during the meeting.

## **3. REASONS FOR RECOMMENDATIONS**

- 3.1. Agreeing a work programme to guide Scrutiny throughout the year is a requirement in the Council's Constitution and considered to be best practice. Adjustments can be made to the work programme throughout the year and are agreed by the Scrutiny Chairs & Vice-Chairs, in line with the arrangements in the Constitution, and an update provided at each Committee meeting.

## **4. SCRUTINY WORK PROGRAMME**

- 4.1. As noted above, in accordance with paragraph 1.2 (vi) of Part 4E - Scrutiny and Overview Procedure Rules, in the Council's Constitution, the Committee should agree an initial scrutiny work programme at its first full meeting after the Annual Council meeting. In line with the principle followed at the start of the last municipal year, at its first meeting on 6 June 2023, the Scrutiny & Overview Committee agreed the guiding principles that will form the underlying basis for including items in the work programme (see para 1.1 above). These principles have been used by the Committee and its sub-committees filter items for inclusion in the work programme for the year ahead.

- 4.2. Since the meeting on 6 June 2023, the Sub-Committees (Children & Young People Sub-Committee, Health & Social Care Sub-Committee, Homes and Streets & Environment Sub-Committee) will each hold their own meetings. The discussions at these meeting, along with other informal discussions, will be used by the Scrutiny Work Programming Group to draft a outline work programme for the agreement of the Committee on 25 July.

## **5 ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 None. It is a requirement in the Council's Constitution for the Scrutiny & Overview Committee to set a work programme for itself and its sub-committees at the start of each municipal year.

## **9 CONSULTATION**

- 9.1 Each of the sub-committee's has had the opportunity to feed into their respective work programmes for the year ahead. Scrutiny Chairs have also met with officers to also gather their feedback on the programme.

## **10. CONTRIBUTION TO COUNCIL PRIORITIES**

- 10.1 This report contributes to priority 1: The Council balances its books, listens to residents and delivers good sustainable services.

## **11. APPENDICES**

- 11.1 Appendix 1: Draft Scrutiny Work Programme 2023-24

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## Scrutiny & Overview Committee

The below table sets out the working version of the Scrutiny & Overview Committee work programme. The items have been scheduled following discussion with officers and may be subject to change depending on any new emerging priorities taking precedent.

Meeting Date	Item	Scope	Directorate & Lead Officer
22 May 2023	Annual Asset Disposal Strategy		
	Waste & Street Cleansing Contract		
	Month 11 2023-23 FPM Report		
6 June 2023	Executive Mayor of Croydon – Scrutiny Update	The Mayor to provide an overview of his key achievements over the past year and outline his priorities for the year ahead to include: - <ul style="list-style-type: none"> <li>- How they will be delivered</li> <li>- The main risks to delivery and how these are being managed.</li> </ul>	Assistant Chief Executive Directorate David Courcoux
	Scrutiny Work Programme & Annual Report	The Committee to agree the work programme for itself and its Sub-Committees for the year ahead and agree the Scrutiny Annual Report for submission to Council.	Resources Simon Trevaskis
25 July 2023	Month 2 2023-24 FPM Report	This report is provided for the Committee to seek assurance on the delivery of 2023-24 budget.	

	Improvement & Assurance Panel – Exit Strategy		
	Equalities Strategy	Pre-decision discussion on the principles for the forthcoming refresh of the Council's Equalities Strategy.	
26 September 2023	Annual Complaints Report	The Committee will be presented with the Annual Complaints report for the Council for its information	
	People & Cultural Transformation Strategy	The Committee has requested to review the action plan created to guide the delivery of the Strategy, along with the performance measures that will be used to determine the success of the strategy.	Dean Shoesmith Assistant Chief Executive
	Mayor Business Plan 2022-26 quarterly performance report	This report is provided for the Committee to seek assurance on the performance of the Council services and identify potential areas of concern for further scrutiny.	
	P3/ P4 financial performance report	This report is provided for the Committee to seek assurance on the delivery of 2023-24 budget.	
	Quarterly Transformation Report	This report is provided for the Committee to seek assurance on the delivery of the Council's transformation programmes and to identify projects for a potential deep dive later in the year.	
21 November 2023	MTFS & Budget Proposals	To scrutinise the update MTFS and Budget Proposals of the Administration, as set out in 25 October 2023 Cabinet report.	
	P7 financial performance report	This report is provided for the Committee to seek assurance on the delivery of 2023-24 budget.	
	Crime & Disorder Item	To review the Community Safety Strategic Assessment	Christopher Rowney SCRE

	Quarterly Transformation Report		
16 January 2024	Budget Scrutiny Deep Dives	Subjects to be confirmed.	
6 February 2024	Final Budget Scrutiny Session		
22 April 2024			

### Items of Interest

The following items haven't been scheduled into the work programme but are highlighted areas of further scrutiny during the year ahead.

Unallocated Items	Notes
Customer Service Journey	
Climate Change Scrutiny	
Contracts & Procurement	A review learning lessons from previous Council contracts.
Town Centre	To review plans for the town centre
Electoral Administration	To review plans for the delivery of 2024 London Mayoral Elections

## Children & Young People Sub-Committee

The below table sets out the working version of the Children & Young People Sub-Committee work programme. The items have been scheduled following discussion with officers and may be subject to change depending on any new emerging priorities taking precedent.

Meeting Date	Item	Scope	Directorate & Lead Officer
27 June 2023	Update on Antenatal and Health Visiting Visits	To receive an update on Antenatal and Health Visiting.	Children, Young People, Education and Health  Jane McAllister
	<b>Cabinet Report - Maintained Nursery Schools Report</b>	To receive the upcoming June Cabinet Report outlining the current position in relation to Croydon's Maintained Nursery Schools and options for the future provision of this in Croydon. The report sets out why this is required as a result of decreasing funding for Maintained Nursery Schools (MNS) and the impact that this is having on the budget situation for all of the Council's MNS settings.	Children, Young People, Education and Health  Shelley Davies
14 November 2023	Croydon Safeguarding Children Board - Annual Report 2022-23	The Children & Young People Sub-Committee is asked to: -  1. Note the Croydon Safeguarding Children Board Annual Report 2022-2023  2. Consider whether there are any considerations or concerns it may wish to submit to the Cabinet during its consideration of the Annual Report.	Children, Young People & Education  Debbie Jones

		3. In particular, give consideration as to whether the Annual Report provides sufficient reassurance on the performance and effectiveness of the Croydon Safeguarding Children Board.	
	TBC		
23 January 2023	Budget Scrutiny Challenge	<p>The Children &amp; Young People Sub-Committee is asked to review the information provided on three budget proposals (to be identified) and reach a conclusion on the following:-</p> <ol style="list-style-type: none"> <li>1. Are the savings deliverable, sustainable and not an unacceptable risk.</li> <li>2. Is the impact on service users and the wider community understood.</li> <li>3. Have all reasonable alternative options been explored and do no better options exist.</li> </ol>	<p>Children, Young People &amp; Education</p> <p>Debbie Jones</p>
	Cabinet Report - Education Estates Strategy	For the Sub-Committee to consider whether there are any considerations or concerns it may wish to submit to the Cabinet during its consideration of the Strategy.	<p>Children, Young People &amp; Education</p> <p>Shelley Davies</p>
	Cabinet Report - Education Standards 2022	For the Sub-Committee to receive the summarised performance of children and young people in Croydon schools for the academic year 21/22.	<p>Children, Young People &amp; Education</p> <p>Shelley Davies</p>

19 March 2023	Update on Antenatal and Health Visiting Visits	To receive an update on Antenatal and Health Visiting.	Children, Young People, Education and Health Jane McAllister
	TBC		

**Standing Items:**

**Early Help, Children's Social Care and Education Dashboard & Health Visiting KPI Data** - To receive the Early Help, Children's Social Care and Education Dashboard and quarterly Health Visiting KPI Data.

**Items of Interest**

The following items haven't been scheduled into the work programme but are highlighted as potential items of interest to be scheduled during the year ahead.

Unallocated Items	Notes
Recruitment and Retention	<p>To review Staff Caseloads, AYSE Caseload Sharing and the number of supervisions carried out.</p> <p>To receive a breakdown of vacancies and caseloads by individual teams and to look at London Councils best practise for recruitment and retention.</p> <p>To undertake direct engagement with social workers</p>

	To look at how feedback from exit interviews can be incorporated into retention strategies
Apprenticeships & Youth Unemployment	To look at the offer of available apprenticeships in the borough and data on youth unemployment.
OFSTED Reports	To review any OFSTED reports as and when they are available.
Delivery of Early Years Strategy	To review the delivery and implementation plan of the Early Years Strategy
SEND Strategy	To review the implementation of the SEND Strategy
Surplus Schools Places	To review the Surplus Schools Places report
Free School Meal offer in Croydon	To scrutinise the provision of free school meals in the borough through the Mayor of London scheme.
Cabinet Report - Youth Safety delivery plan	To conduct pre-decision scrutiny on the upcoming Youth Safety delivery plan Cabinet report.
Cabinet Report – Maintained Nursery Schools	To conduct pre-decision scrutiny on the Cabinet Report following the public consultation on Maintained Nursery Schools.

### Health & Social Care Sub-Committee

The below table sets out the working version of the Health & Social Care Sub-Committee work programme. The items have been scheduled following discussion with officers and may be subject to change depending on any new emerging priorities taking precedent.

Meeting Date	Item	Scope	Directorate & Lead Officer
20 June 2023	Front Runner Pilot Scheme	The Health & Social Care Sub-Committee is presented with a report on the Discharge Integration Fronrunner programme, which aims to bring together transformation efforts from across Croydon to develop an effective, integrated system across hospital, social and community care.	Adults Richard Eyre
	HSC Work Programme	To discuss areas of scrutiny for inclusion in the Sub-Committee work programme in 2023-24	
3 October 2023	Croydon Safeguarding Adults Board – Annual Report	To review and comment upon the Croydon Safeguarding Adults Board annual report ahead of its consideration by the Mayor in Cabinet	Adult Safeguarding Denise Snow
	Transformation Update	To receive an update on the transformation of Adult Social Care.	Adults Richard Eyre
30 January 2024			



12 March 2024			
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### Areas to schedule

The following items haven't been scheduled into the work programme but have been previously identified as areas of scrutiny to be scheduled during the year ahead.

Unallocated Items	Notes
Adults – Transformation Programme	Ongoing scrutiny of the delivery of budget savings and transformation work in Adult Social Care.
A review of the cost of out of borough placements	Arising from the discussion on mental health provision in the borough
Commissioning for Community Sexual Health Services	To feed into the commissioning process of community sexual health services by the Public Health team.
<b>Preparation for CQC Inspection</b>	<b>An initial workshop for the Sub-Committee on the work to prepare for the CQC inspection will be arranged for the Autumn.</b>
Dementia Strategy	
CAMHS & SLAM	A review of the mental health services available for young people focusing on the transition between services.
Menopausal Health Services	To review the availability of menopausal services in the borough

Integrated Care System	To review the impact of the new ICS approach to services in the borough.
Dental Services	To review the provision of dental services in the borough.
Prostate Cancer Services	

## Homes Sub-Committee

The below table sets out the working version of the Health & Social Care Sub-Committee work programme. The items have been scheduled following discussion with officers and may be subject to change depending on any new emerging priorities taking precedent.

Meeting Date	Item	Scope	Directorate & Lead Officer
24 July 2023	Housing Transformation Programme	To receive an update on the delivery of the Housing Transformation Programme	Lara Ashley
	Housing Strategy	Pre-Decision – To have an early discussion on the principles underlying the forthcoming Housing Strategy	Lara Ashley
	Mobilisation of the Responsive Repairs Contracts	To receive an update on the de-mobilisation/mobilisation of the response repair contracts.	Jerry Austin
17 October 2023	Asset Management Strategy	To review the new Asset Management Strategy	Susmita Sen
	Culture Change in the Housing Service	To review the delivery of transformation work aimed at improving the culture within the Housing Service.	Susmita Sen
29 January 2024	HRA Business Plan & Budget 2023-24	As part of the Budget Scrutiny process, to review the Housing Revenue Account Budget for 2024-25.	
	Budget Deep Dive	As part of the Budget Scrutiny process,	

16 April 2024	Private Sector Housing & Housing Licensing		
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### Areas to schedule

The following items haven't been scheduled into the work programme but have been previously identified as areas of scrutiny to be scheduled during the year ahead.

Unallocated Items	Notes
Regina Road	Ongoing
Residents Engagement Strategy	To feed into the development of the Strategy as appropriate
HRA Business Plan	To feed into the development of the Plan as appropriate
Update on the implementation of NEC system	Potential briefing
Damp & Mould strategy	Briefing with Officers, 12 July – Further update on delivery later in the year
Update on savings delivery	Standard item on each agenda.
Temporary/Emergency Accommodation	To monitor the delivery of the budget for EA/TA.

## Streets & Environment

The below table sets out the working version of the Streets & Environment Sub-Committee work programme.

Meeting Date	Item	Scope	Directorate & Lead Officer
11 July 2023	Pre-Decision: Parking Policy Transformation Project	To conduct pre-decision scrutiny on the upcoming Cabinet report covering the Parking Policy Transformation Project.	Sustainable Communities Regeneration & Economic Recovery Steve Iles
	Consultation on the Local Flood Risk Management Strategy	To receive a presentation on the forthcoming consultation on updating the Council's Flood Risk Plan, so that the Sub-Committee can provide feedback and input into its development.	Sustainable Communities Regeneration & Economic Recovery Nick Hibberd

10 October 2023	<b>POSSIBLE</b> - Air Quality Action Plan 2023-2028	To scrutinise the Council's Air Quality Action Plan 2023-2028.	Sustainable Communities Regeneration & Economic Recovery Nick Hibberd
	<b>POSSIBLE</b> - CIL charging schedule adoption	To review and provide feedback on the new CIL charging schedule adoption.	Sustainable Communities Regeneration & Economic Recovery Steve Dennington
	<b>POSSIBLE</b> - Graffiti Removal Team	To receive an update on the establishment of the Graffiti Removal Team, the work undertaken and any associated KPIs.	Sustainable Communities Regeneration & Economic Recovery Steve Iles
	<b>POSSIBLE</b> - Planning obligations SPD adoption	To provide feedback on the Cabinet report concerning the adoption of the Planning Obligations SPD.	Sustainable Communities Regeneration & Economic Recovery Heather Cheesbrough

30 January 2023	Budget Scrutiny Challenge	<p>The Sub-Committee is asked to review the information provided on three budget proposals (to be identified) and reach a conclusion on the following:-</p> <ol style="list-style-type: none"> <li>4. Are the savings deliverable, sustainable and not an unacceptable risk.</li> <li>5. Is the impact on service users and the wider community understood.</li> <li>6. Have all reasonable alternative options been explored and do no better options exist.</li> </ol>	<p>Sustainable Communities Regeneration &amp; Economic Recovery</p> <p>Nick Hibberd</p>
	<b>POSSIBLE</b> – Climate Action Plan and Habitat Action Plan	To review and provide feedback on the Council's Climate Action Plan and Habitat Action Plan.	<p>Sustainable Communities Regeneration &amp; Economic Recovery</p> <p>Steve Iles</p>
2 April 2023	Local Plan Review	To scrutinise the review of the Local Plan 2023/24	<p>Sustainable Communities Regeneration &amp; Economic Recovery</p> <p>Heather Cheesbrough</p>
	Planning Transformation	For the Sub-Committee to receive an update on the Transformation projects taking place in the Planning Department.	<p>Sustainable Communities Regeneration &amp; Economic Recovery</p>

			Heather Cheesbrough
	<b>POSSIBLE</b> - Waste contract procurement award- May 2024	To scrutinise the Waste contract procurement award.	Sustainable Communities Regeneration & Economic Recovery Steve Iles

**Standing Items:**

Work Programme Item	Notes
Financial Monitoring for SCRER	Standing Item tracking progress with the delivery of 2023/24 Budget using the latest Cabinet Financial Performance report (To review by exception).

**Items of Interest**

The following items haven't been scheduled into the work programme but are highlighted as potential items of interest to be scheduled during the year ahead.

Unallocated Items	Scrutiny Officer Notes
Environment Bill Responsibilities	To review the additional responsibilities that will fall upon the Council following the adoption of the Environment Bill



Biodiversity Strategy	To review the upcoming Biodiversity Strategy once written.
Implications of the Levelling Up and Regeneration Bill	To review the possible implications of the Levelling Up and Regeneration Bill
Review of the Waste Contract	To review the progress on the review of the Waste Contract.
Environmental Enforcement	To review the Environmental Enforcement service.
Protection of green spaces and parks	To look at the protection of parks and green spaces in the borough, including the support fund and Council strategy.
Clean Water and Sewage (Thames Water)	To look at the water quality in the borough and the risks of contamination from sewerage.
Transport, Active Transport & School Streets	To look at the strategy for Transport, Active Transport, Healthy Streets & School Streets in the borough, alongside Road Fatalities & Speed Limits
Transformation of Independent Travel	To review the transformation of the Independent Travel Service – End of 2023/24

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