



# Finance and Resources

## Cabinet Member Bulletin

Councillor Simon Hall

April 2019

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### Budget

The budget was approved at Council on March 4.

Since then, a lot of work has been done to ensure budget readiness, including detailed sessions led by myself with relevant cabinet members and officers to review plans and look at risks and opportunities.

This will be ongoing work. Clearly, as set out in the budget papers, there are considerable pressures on services, especially demand-led services, so vigilance is required.

### Asset Investment Strategy

The investments made are performing as planned.

We have had a significant number of opportunities offered to us. However, we are clear that we will not pursue investments that do not meet the criteria set.

We are strengthening the team around the assets, to make sure existing investments are tightly managed and new opportunities assessed on a timely basis.

### Medium Term Financial Strategy

We continue to review this. The main uncertainty regards how local government funding from central government will work post-2020. We have made robust submissions to the government consultation on this. We will continue to lobby, both as an individual council and with others, through London Councils and the Local Government Association, on this.

It should be noted that, as well as the main funding for the Council, there are issues/pressures relating to:

- Dedicated Schools Grant, notably High Needs block
- Public Health funding
- Unaccompanied Asylum Seeking Children
- Impact of cuts to/ inadequate government funding of partners' funding, notably the NHS and the Police.

We continue to lobby on all these areas.



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## Insourcing of Services

I am very pleased to report the successful insourcing of grounds maintenance. I can confirm that all the staff are now paid London Living Wage (LLW), whereas some 40% were not being paid LLW with IdVerde.

We are currently recruiting enforcement agents, as part of implementing our decision to move to collecting all in-borough debt to an in-house service.

We are in the process of bringing in all SEN minibs transport in-house, over the next three years, with a phasing that matches the requirements of the schools and pupils concerned. There are a number of other services that we are assessing using our strengthened 'make or buy' approach.

## One Croydon Alliance

The award-winning partnership is continuing to have a very favourable effect on those currently covered by the scope of the service. We are seeing considerably improved outcomes for residents and seeing clear financial benefits for the health & social care economy.

We are now in discussions with partners to ensure that the longer term risk share model is in place and looking at what other services we want to now develop.

## Croydon Digital Services

Under the leadership of Neil Williams, our Chief Digital Officer, we are seeing the transformation of our IT department into Croydon Digital Services. This will have benefits across the Council and for residents.

This includes, significantly, the move away from the over-arching Capita contract, including some insourcing, which will enable us to provide an enhanced and more flexible service.

## Moving away from big outsource contracts

The move away from Capita represents another move away from having big outsource contracts, where we lose visibility and control of key services and their strategic direction.

This is another stage, after:

- moving away from Interserve for Facilities Management, which meant we had no material exposure to their recent financial difficulties
- bringing the library services back in-house after Carillion's failure



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## MyResources

This is the new platform for finance, HR and procurement. A huge amount of work has been done by the project team and officers across the Council to ensure that this delivers the information, processes and platforms the Council needs.

We are on track to deliver this, with payroll parallel running taking place from this month as part of that checking.

## Pension Fund

I am pleased to report that there have been further investments with the London Collective Investment Vehicle, as part of the drive to use their negotiating power with fund managers, as they are negotiating for the 33 London local authorities.

In making our choice of new investments, we are demanding very high level of ESG (Environmental, Social and Governance).

As part of taking the fund forward, we will be seeking to strengthen this further and increase the diversification of the fund.

The Full Council decision regarding the transfer of the Council's interests in the Croydon Affordable Homes properties is being implemented. The value of these assets will be included in the Pension Fund's balance sheet and assessed at every triennial valuation of the Pension Fund by the Scheme actuaries, so that there is full transparency and any variations recognised in the Council's cash contributions to the Fund. The pensioners' interests are fully protected, through the value of the assets of the Fund and through the council guarantee that exists.