

## PROFORMA

### REFERRAL OF KEY DECISIONs TO THE SCRUTINY AND OVERVIEW COMMITTEE

For the attention of: Victoria Lower, Democratic Services & Scrutiny  
e-mail to

[Victoria.lower@croydon.gov.uk](mailto:Victoria.lower@croydon.gov.uk) and [cliona.may@croydon.gov.uk](mailto:cliona.may@croydon.gov.uk)

Meeting: Cabinet Meeting

Meeting Date: 20<sup>th</sup> July 2020

Agenda Item No: 6, RESPONDING TO THE LOCAL GOVERNMENT FUNDING  
CHALLENGE

And

Agenda Item No: 7, JULY FINANCIAL REVIEW

#### Reasons for referral:

- i) The decision is outside of the Policy Framework
- ii) The decision is inconsistent with the budget: Yes
- iii) The decision is inconsistent with another Council Policy
- iv) Other: Please specify:

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The two Cabinet reports, Agenda Item 6 and Agenda item 7, do not provide sufficient detailed information to allow the Scrutiny Committee to make a judgement as to whether the proposed recommendations will deliver the approved 2020/21 budget, and avoid the service of a Section 114 Notice.

The call-in of these two Agenda Items is restricted to the following recommendations in regards delivering the 2020/21 budget and it is not a call-in of the proposed changes to the Medium Term Financial Strategy.

**Agenda Item 6.2:** Endorse the further actions and governance arrangements which have been put in place, outlined in the report, to ensure the Council delivers within the 2020/21 approved budget;

**Agenda 6.4:** Agree the principles informing actions to deliver within the 2020/21 approved budget.

**Agenda 7.1:** The approach to ensuring the financial challenge of the financial year 2020/21 is managed efficiently and effectively including delegation of decisions on measures to deliver the 2020/21 budget to the Cabinet Member for Finance and Resources in consultation with the relevant Cabinet member.

**Agenda 7.3:** The continued use of capital receipts for funding transformation as detailed in section 9 of the report.

**Agenda 7.4:** The approach to dealing with the financial impact of Covid19, including the financial returns to MHCLG and the discussions with them.

**The outcome desired:**

- To satisfy the Scrutiny Committee that the Council will deliver the approved 2020/21 Budget and will not serve a Section 114 Notice.
- Reassurance that the principles informing actions set out in Agenda Item 6.4 are achievable.
- Council finances are robust enough to enable an effective response if demand substantially increases this Autumn and Winter.
- Equalities consideration are given due weight when making decision to end, reduce or reconfigure service delivery.

**Information required to assist the Scrutiny and Overview Committee to consider the referral:**

- 1) To **provide information at a more granular level** on the financial and workforce actions taken to help satisfy the Committee that the Council will deliver the approved 2020/21 Budget, including increasing level of general fund balances by £5 million.
- 2) **More information on the work of the Finance Review Panel**, including its recommended short-term options to minimize spend and where possible to generate income, and the refreshed savings proposals to deliver in year 2020/21. Details of the mechanisms referenced in the cabinet report used by the financial review panel to ensure progress stays on track (dashboards and monitoring information).
- 3) **Information on the six projects areas** (Staffing, Cross-Cutting Areas, Assets, Contracts, Income, and Demand Management), and their expected in-year financial contributions. It should include key milestones, risks and interdependencies.
- 4) **Workforce Information**, including financial, of the 15% Workforce Reduction proposals, at department and service level. Detail of changes to service delivery, including reduction or stopping of any service. Information on any services (including outputs) that will be outsourced to new or existing providers. Information on level of risks to delivery of statutory duties and information on how not only existing demand but future demand (expected to increase within the financial year) will be managed (in case of localized outbreaks, further lockdown, end of furlough schemes etc.). Proposed departmental structures, including information on the Children's and Adults Social Care departments. We seek re-assurance that deletion of posts, previously filled by contractors, do not denude those teams of skills and experiences to deliver an effective service.
- 5) **Capitalisation** (details of revenue costs already capitalized referenced in the report and assessment of impact of further capitalization on longer term financial strategy), **Overall Debt, and revenue implications**. Concerns have been expressed over the overall level of debt, and a more detailed explanation that the current level and revenue costs are sustainable.
- 6) **A copy of full unredacted return submission to MHCLG**, broken down by section.
- 7) **A copy of the corporate risk register** updated in relation to new transformation programme objectives/work streams.
- 8) **Any other information** that will help provide the re-assurance the committee is seeking that the Council will deliver the 2020/21 approved budget.

Signed: Sean Fitzsimons      Date: 27<sup>th</sup> July 2020

Member of \_Scrutiny & Overview Committee