

LONDON BOROUGH OF CROYDON

REPORT:	Scrutiny & Overview Committee	
DATE OF DECISION	30 January 2023	
REPORT TITLE:	Transformation Project Deep Dives	
CORPORATE DIRECTOR / DIRECTOR:	Jane West, Corporate Director of Resources and Section 151 Officer	
LEAD OFFICER:	Alan Layton, Interim Head of Service, Finance alan.layton@croydon.gov.uk	
LEAD MEMBER:	Councillor Jason Cummings, Cabinet Member for Finance	
KEY DECISION?	No	REASON: N/A
CONTAINS EXEMPT INFORMATION?	No	
WARDS AFFECTED:	All	

1. SUMMARY OF REPORT

- 1.1 The Mayor published the Transformation Plan on 30 November 2023. The Committee have subsequently asked for further information on the Commercial & Income Opportunities and the Income & Debt Review projects. This report provides the information available at this stage for those two projects

2. RECOMMENDATIONS

- 2.1 The Scrutiny and Overview Committee is asked to:
1. Note the contents of this report and
 2. Consider the conclusions arising from the discussion of this report as part of the wider Budget Scrutiny process.

3. BACKGROUND AND DETAILS

- 3.1. The Mayor published the Transformation Plan on 30 November 2023 which set out a transformational approach rather than continuing to salami slice budgets. The Transformation Plan, which is being developed, consists currently of ~39 projects. It sets out a new approach to a more modern way of working, that is cost effective and responds to different needs from different residents.

- 3.2. At the last meeting of the Committee Councillor Jason Cummings offered the Committee the opportunity to conduct a deep dive on a couple of the transformation projects listed in the Transformation Plan. The Committee have subsequently asked for further information on the Income & Debt Review and Commercial & Income Opportunities projects.
- 3.3. This report provides the information available at this stage for those two projects. Noting that the projects are in an early mobilisation phase, this information will provide the Committee an opportunity to explore the project scope and initial thinking. The relevant Project Managers will be attending the Committee meeting.

4. INCOME & DEBT REVIEW

- 4.1. Project overview: The project has 4 strands to be delivered over 3 years:

PROJECT STRAND	BACKGROUND	OBJECTIVE
Fees and Charges	The audit report summarises the challenges: lack of a policy, no annual reviews (19/20 and 20/21), sign-off delayed by 6 months (22/23), agreed fees and charges not implemented.	(a) Marshal comprehensive list of discretionary Fees and Charges. (b) Ensure robust evidence base to support (a) consistent with legislation. (c) Align deliverables with audit report
Enforcement Agents	The Council uses a hybrid model of debt collection – external / internal Enforcement agents	Develop the evidence base to map way forward – hybrid, internal, external
Council Tax (CT) Arrears	Minor changes in CT collection have a major impact on Council revenues and its ability to deliver services.	To increase collection / arrears management efficiency learning from Central Government / Other Councils.
Debt management	Multiple teams currently manage the end-to-end invoicing / receivables management process.	To marshal a single view of Council Debt as a first step to explore options for improving debt management.

- 4.2. Progress to date: The team have initiated work (“Discovery”) to (a) review and develop the evidence base and (b) map issues and challenges to scope out a robust delivery plan

5. COMMERCIAL & INCOME OPPORTUNITIES

- 5.1. Several services are responsible for income generation and this review seeks to ensure the Council is maximising income from the range of commercial and trading services.
- 5.2. The project will look at income performance and opportunities for growth and identify if returns are being optimised. Additionally, the project will look at whether there are any gaps in the commercial skills required of Council officers and recommend interventions

to address these. The project will identify/evaluate opportunities and deliver benefits from suppliers who have multiple contracts across different directorates and service areas. Savings will be identified as part of the initial phase of the project.

5.3. The project is commencing in January 2023 and is planned to have two tranches:

Tranche 1: commercial opportunities identified include but are not limited to the following:

- Growing income from the Premier Supplier Programme managing early payment discounts.
- Maximising income from the Digital Out of Home (DOOH) advertising contracts. this includes identifying and removing barriers
- Other income opportunities as identified

Note: Parking income has been excluded from this review as it has a separate review underway

Tranche 2:

- Review of suppliers with multiple contracts, often across different directorates. This picks up the blind spot of contract managers responsibility for their own contracts and not having a cross council awareness or responsibility to maximise value.
- Contracts will be identified, mapped and prioritised and contract managers engaged to co-develop approaches.

5.4. The key risks and dependencies facing the project include support required from Directors/Heads of Service, service and contract managers; a need to review scope of the “Income and Debt Review” to identify areas of synergy, overlap or conflict; existing savings plans that might impact on the same suppliers; resistance, lack of engagement or lack of capacity from services (at manager/head or director level); and the risk of double counting with existing savings plans

5.5. Progress to date.

5.5.1. Work has been underway through 2022 to increase the scope and engagement of the Premier Supplier Programme (PSP). Council policy requires inclusion within all new procurements and to consider its introduction, if possible, for contract extensions. A new contract was entered on 1st Oct 22 which provides enhanced benefits for the Council. For FY 2022/23 it is anticipated that the income/savings target will be exceeded and a new income growth target of £200k is anticipated on a separate budget line, resulting from the work to date and planned.

5.5.2. Most areas of the Council apply the PSP except ASCH and Housing. A review in 2022 of the potential to apply in ASCH decided to defer this at present and focus

on existing savings challenges.

Priority for 2023 will be implementation in Housing for the new repairs and heating contractors and with existing suppliers.

5.5.3. The assessment of the potential for digital advertising has commenced, noting that there are existing savings targets and ongoing discussions with incumbent suppliers. The approach here will be to ensure that we have the required information, skills and approach to achieve the existing targets and explore potential to exceed.

5.5.4. The analysis of skills gaps and mapping of opportunities has yet to commence, as has the detailed analysis of opportunities from suppliers with multiple contracts across different service areas. On the latter point it should be borne in mind that suppliers, in line with the Council, are having to manage the impacts of inflation. The greatest benefits are usually achieved through reduction in scope of services, demand reduction and how changing the council works with suppliers.

6. CONTRIBUTION TO COUNCIL PRIORITIES

6.1. The Mayor's Business Plan 2022 – 2026 has made clear that his number one priority is that the council balances its books, listens to residents and delivers good sustainable services. The Transformation Plan is part of the approach to achieving this priority.

7. IMPLICATIONS

FINANCIAL IMPLICATIONS

7.1. The Commercial and Income Opportunities project is an enabling approach that will provide support to other initiatives. Currently no project investment and savings are identified. The Income and Debt Review has identified an investment need of £50,000 and has an efficiency target set of £500,000.

7.2. Comments approved by Interim Head of Service, Finance on behalf of the Corporate Director of Resources. (18/01/2023)