

Scrutiny & Overview Committee

12th February 2024

Budget Scrutiny 2024-25: Conclusions from Previous Budget Scrutiny items considered by the Scrutiny & Overview Committee & Sub-Committees

Scrutiny & Overview Committee – 24 October 2023

Medium Term Financial Strategy 2024-2028

1. The Committee acknowledged that the Council was going above and beyond what it could do to improve its financial position through improving its governance and budget monitoring processes, delivering transformation, and selling its assets.
2. However, the level of debt held by the Council remained unsustainable and would only increase while capitalisation remained the only option available to the Government to support the Council to balance the identified ongoing annual shortfall of £38m in future year's budgets. It was therefore essential for Government to identify a solution as soon as possible to assist both Croydon and other similar local authorities with unsustainable levels of debt.
3. The Committee welcomed reassurance that the voices of frontline staff were being heard in the budget setting process and agreed that this would need to be tested throughout the budget scrutiny process.
4. The Committee welcomed reassurance that Council tax enforcement was only used as a last resort and in the first instance the Council when notifying residents of arrears provided the offer of help and assistance to find a viable solution. The Committee agreed that it would like to revisit this at a later date to seek reassurance on the level of support offered to residents.

Scrutiny & Overview Committee – 16 January 2024

Capital Programme and Capital Strategy 2023-29

1. The Committee acknowledged that both transparency and the governance processes of the Council have been improved due to the hard work of officers and the Cabinet. However, despite this hard work, the financial situation remained dire and potentially dangerous with the £38m budget gap remaining unresolved without further capitalisation and the Council being in breach of the Prudential Code.
2. The Committee also acknowledged that the financial situation for the Housing Revenue Account capital budget was much healthier than the General Fund capital budget and was supportive of the proposal to use reserves, rather than borrowing, to fund capital works in 2024-25.

Health & Social Care Sub-Committee – 22 January 2024

Adult Social Care and Health Directorate 2023-24 Budget, Savings and Transformation

Conclusions

1. The Sub-Committee commended the work of the Adult Social Care team in managing its budget, acknowledging that there was a good level of understanding of and control over the budget for the service.
2. The Sub-Committee also commended the work of the Panel reviewing the packages of care, which was a key to delivering savings within the service.
3. The Sub-Committee also welcomed a review on the further use of technology within the service, as a means of identifying further savings.
4. Although, the Health and Social Care Sub-Committee did not have any specific concerns about the Adult Social Care and Health Directorate budget for 2024-25, there were a few areas, such as the transformation partnership workstream, that were still in the early stages of development and would require further in-depth scrutiny over the forthcoming year to provide further reassurance on delivery.

Children & Young People Sub-Committee – 23 January 2024

Budget Scrutiny Challenge

2024-28 SAV CYPE 001 – Children’s Social Care staffing budget realignment

Conclusions

1. The Sub-Committee were grateful for the information and responses provided by officers and the Cabinet Member at the meeting.
2. The Sub-Committee were reassured that officers and the Cabinet Member had recognised that holding a 7% vacancy would present an unacceptable risk in Children’s Social Care, and that this saving would not be included in the updated Medium Term Financial Strategy (MTFS).
3. The Sub-Committee were confident that removing this saving from the MTFS was the correct decision to protect children and ensure that caseloads for social workers did not become unmanageable.
4. The Sub-Committee understood that the £1.1 million saving would need to be achieved and that the updated MTFS would set out how this saving would be made while also considering the provisional Local Government Finance Settlement, feedback from the budget engagement process and updated Council Tax and business rate income forecasts.
5. The Sub-Committee were unable to comment on whether the £1.1 million saving in the budget would be achievable as the information on where this saving was to be achieved was not yet available. As such, the Sub-Committee would recommend the Scrutiny & Overview Committee reassure itself on the deliverability of any new savings proposals at its meeting on 12 February 2024, when considering the wider Budget.
6. The Sub-Committee were reassured by the peer challenge work being undertaken with other local authorities to look at different areas of Children’s Services, and by the Council’s engagement with the Sector Led Improvement Programme (SLIP) to improve practice outcomes.

2024-28 SAV CYPE 003 – Review of Children Looked After Placements

Conclusions

1. The Sub-Committee shared their gratitude to social workers and foster carers who were working to meet the needs of children in the borough.

2. The Sub-Committee wanted to monitor the efforts of the Council to increase the in-house foster provision in the borough and agreed that this should be added to the Work Programme for 2024/25.
3. Members were optimistic that the savings targeted from the review of children looked after placements would be deliverable, in light of the work already undertaken in this area during 2023/24.
4. The Sub-Committee were reassured that both the officers and the Cabinet Member understood the potential impact upon service users and the wider community of delivering this saving, and that no decisions would be taken for financial reasons, if they would be harmful to children and young people.
5. The Sub-Committee were supportive of the planned increase of in-house provision through the opening of a new Children's Home supported by Department for Education funding.
6. Members were optimistic about plans to continue to improve the Council's relationship with placement providers through the continued development of processes, and through possible 'preferred provider' agreements.
7. The Sub-Committee were confident that the scope for the procurement of a proposed CYPE Strategic Transformation Partner seemed well targeted but understood that the process was still in the early stages of development and that a market warming exercise had yet to take place.

Homes Sub-Committee – 29 January 2024

Update on the Housing Revenue Account and Housing General Fund Budget 2024-25

Conclusions

1. The Sub-Committee recognised that a lot of different work streams were being managed simultaneously within the Housing service and that it was a credit to the team that noticeable improvement towards stabilising the service and building solid governance processes had been established.
2. The Sub-Committee was concerned that much of the data gathered had still to be analysed and concluded that this represented a key risk to the delivery of the budget, particularly the results from the stock condition surveys which could have a major impact on both the level of repairs needed and the longer-term capital investment required.
3. However, the Sub-Committee was reasonably reassured that the Housing service had worked as well as it could with the data already available, which had resulted in the budget for repairs and maintenance being rightsized.
4. The Sub-Committee concluded that Housing Revenue Account (HRA) Capital Programme was well thought through based upon the information available at this stage, but the real test would come in the summer once further stock condition data was analysed leading to an updated HRA Business Plan, which the Sub-Committee looked forward to reviewing later in the year.
5. The Sub-Committee was also reassured that many of their concerns raised at the meeting were already known to the Housing service and work was underway to address these.
6. While it remained a work in progress, the Sub-Committee welcomed the savings delivered through transformation of the Homelessness service in 2023-24 and was reassured that these were not solely reliant on staff vacancy savings. However, further evidence was required to demonstrate that this transformation work would result in a transformed service focussed on reducing homelessness through prevention and early intervention.
7. The Sub-Committee noted concern about the potential risks to the General Fund budget associated with the increased demand for the homelessness services and looked forward to reviewing the demand management transformation within the service later in the year.

8. Overall, the Sub-Committee was unable to provide total reassurance on the 2024-25 budget, given the data that would normally be expected to inform the setting of a budget was still being collated and validated. However, it did agree that the Housing Service had a good understanding of the pressures on the service and seemed to have the right priorities in place to drive forward improvement.

Streets & Environment Sub-Committee – 30 January 2024

Budget Scrutiny Challenge

2024-28 SAV SCRER 002 - Fees and charges - Changes to parking policy

Conclusions

1. The Sub-Committee encouraged the Council to continue to engage with residents and local businesses on forthcoming changes to parking policy and charges.
2. The Sub-Committee were supportive of the promotion of the 'Love Clean Streets' app as a reporting tool for parking contraventions as an alternative for residents contacting the Council by phone or email.
3. The Sub-Committee were encouraged to hear that the 'Love Clean Streets' app would be utilised during the 'Clean Up Croydon' campaign and were reassured that it was being considered how to also encourage more residents to use the app to report parking contraventions and provide updates to residents on the enforcement of these reports.
4. The Sub-Committee understood that the introduction of nominal charges for parking in district centres was being explored to tackle meter feeding and increase parking turnover, but were of the view that the right balance needed to be found to ensure that the footfall of local businesses was improved, and could be evidenced by data.
5. The Sub-Committee were encouraged that a more intelligence led approach by Parking department could lead to savings through maximising the opportunities available in the 'Sitem' software. Members understood that any potential savings arising from this would not be included in the 24/25 budget.
6. The Sub-Committee were reassured that parking income targets for 24/25 would be set at a realistic level based upon 23/24 contravention data, and taking account of increased likelihood of compliance as residents became more familiar with schemes such as Healthy Neighbourhoods and Healthy School Streets.

2024-28 GRO SCRER 003 - SEND Transport – Growth Proposal

Conclusions

1. Members supported that officers were exploring possible commercial uses of the SEND Transport fleet during weekends, school holidays and during the school day. The Sub-Committee were optimistic that this may provide some additional income to the Council but acknowledged that this could be offset by the cost of any such commercial operation.

2. The Sub-Committee were concerned about whether a 5% growth for SEND Transport would be sufficient to cover rising demands for the service as a result of an increasing number of Education and Health Care Plans (EHCPs) in the borough, as well as cost inflation that may occur during 24/25.
3. The Sub-Committee acknowledged that SEND Transport was being looked at as part of the Transformation Programme, and that some savings had been made as part of Phase 1 of the project. However, as Phase 2 was still in very early stages of development there was limited understanding of any potential savings.
4. The Sub-Committee appreciated that Muster Points had been identified as a possible point of savings for the SEND Transport service but were of the view that the potential budget impact was limited and that the change would likely not be appropriate for some students.

2024-28 SAV SCRER 006 - Deferral of growth in highways maintenance

Conclusions

1. The Sub-Committee were of the view that this saving would contribute to an increased backlog in highways investment that could lead to increased costs for highways maintenance and repairs in the future.
2. The Sub-Committee were supportive of the £1,000,000 growth proposed for the highways maintenance budget in 25/26 but were concerned that this would still constitute a real-terms cut to the budget from 22/23.
3. The Sub-Committee were reassured that the Council would take a risk-based approach to conducting highways maintenance to ensure that highways remained as safe and well maintained as possible within the available budget.
4. The Sub-Committee welcomed confirmation of the additional government funding from the Prime Minister's Network North announcement but accepted that this additional investment would not fully mitigate the deferment of growth in the highways maintenance budget.