

# LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>CABINET</b>	
<b>DATE OF DECISION</b>	<b>27 March 2024</b>	
<b>REPORT TITLE:</b>	<b>“Future Croydon” - the Transformation Plan 2024 – 2029</b>	
<b>CORPORATE DIRECTOR</b>	<b>Katherine Kerswell, Chief Executive</b> <b>Jane West, Corporate Director of Resources and S151 Officer</b> <b>Nick Hibberd, Corporate Director of Sustainable Communities, Regeneration &amp; Economic Recovery</b> <b>Debbie Jones, Corporate Director Children, Young People &amp; Education</b> <b>Annette McPartland, Corporate Director Adult Social Care &amp; Health</b> <b>Susmita Sen, Corporate Director of Housing</b> <b>Marie Snelling, Interim Assistant Chief Executive</b>	
<b>LEAD OFFICER:</b>	<b>Sharon Godman, Director of Transformation</b> <b>Email: <a href="mailto:Sharon.godman@croydon.gov.uk">Sharon.godman@croydon.gov.uk</a></b>	
<b>LEAD MEMBER:</b>	<b>Mayor Jason Perry</b>	
<b>KEY DECISION?</b> 1024EM	<b>Yes</b>	<b>REASON:</b> 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>CONTAINS EXEMPT INFORMATION?</b>	<b>NO</b>	
<b>WARDS AFFECTED:</b>	<b>All Wards</b>	

## 1 SUMMARY OF REPORT

- 1.1 This report presents “Future Croydon” - the Transformation Plan 2024 - 2029 for adoption at appendix one. It builds on the foundations of the significant improvement work undertaken to date.
- 1.2 The Transformation Plan 2024 - 2029 sets out the intent and commitment of the council to radically transform the way that it operates, how it delivers services to the people of Croydon and how it connects with and supports residents across the borough. In so doing, the council will continue to deliver the Executive Mayor’s Business Plan priorities and the Medium-Term Financial Strategy, saving just under £100m over the next four financial years.
- 1.3 At appendix two is an update of the existing transformation plan, agreed at Cabinet in November 2022, which is renamed the Council Improvement Programme 2022 – 2027.

It includes existing and new improvement projects critical to strengthening the foundations for future transformation. This is aligned to the delivery of Medium-Term Financial Strategy and Mayor's Business Plan.

## **2 RECOMMENDATIONS**

For the reasons set out in the report and its supporting appendices, the Executive Mayor in Cabinet, is recommended to:

- 2.1 Approve the "Future Croydon" - the Transformation Plan 2024 – 2029 and its reporting cycle back to Cabinet every six months.
- 2.2 Approve the update to the existing transformation plan, previously agreed at Cabinet in November 2022, renamed the Council Improvement Programme 2022 – 2027.

## **3 REASONS FOR RECOMMENDATIONS**

- 3.1 On 6<sup>th</sup> March 2024, the Council agreed the Medium-Term Financial Strategy, at the Council Tax and Budget Setting meeting. This requires the council to deliver savings of just under £100m over the next four years. The Improvement and Assurance Panel and the council agreed in 2023, to deliver the Intervention Exit Strategy. It commits the council to demonstrate, by July 2025, it is on a path towards financial sustainability and can meet its duty of best value without government oversight. "Future Croydon" - the Transformation Plan 2024 – 2029 sets out a clear intention to radically transform, increasing the pace and breadth of change, that enables the council to fully realise the priorities as agreed in the Executive Mayor's Business Plan to meet these commitments.

## **4 BACKGROUND AND DETAILS**

### **Improvement Journey**

- 4.1 Since the Autumn of 2020, the Council has worked hard to improve and address the legacy of governance, financial and operational service failures.
- 4.2 The journey the council has been on, has seen the implementation of a whole series of improvements that have built the necessary foundations, including a new organisational operating model, new senior officer leadership and the delivery of large elements of the equality strategy. A new system of internal control has been introduced, governing behaviour and the use of resources. This includes new service plans, performance management and regular public reporting, risk management, as

well as monthly financial assurance and oversight of the budget and reporting, to ensure transparency.

- 4.3 Since 2021-22 the council has delivered £137m of savings which equates to approximately £45m per year with a further £30m planned for 2024-25. These savings have been significantly higher than other London boroughs and our statistical neighbours and since 2021-22 the council has stayed within its overall annual budget, delivering an underspend each year.
- 4.4 In March 2021, ITV news revealed the truly shocking state of the council's housing service. Since then, significant changes have taken place which include: a new leadership team, service restructure, reprocurring a new repairs service, new inhouse contact centre, new business processes, and a new housing IT system to drive effective behaviour and provide essential data on the service. All overseen and supported by the Housing Improvement Board. The ITV news story focussed on the Regina Road estate. Since then, significant work has been underway to rebuild relationships with residents resulting in a successful ballot as well as securing of £57m from the Greater London Authority (GLA). Residents have been fully involved in driving this change.
- 4.5 In November 2022, Cabinet approved a transformation plan which proposed a new approach to "change in Croydon". It was described as an "evolving programme of work bringing activity designed to transform the council for residents". It included improved project governance and invested in capability to deliver key projects. The plan focussed on establishing the right foundations through a range of major programmes of improvement across services including children's, adults, planning, and housing. At appendix two is an updated plan renamed, the Council Improvement Programme 2022 – 2027. It sets out existing approved programmes and projects as well as those that are new and critical to enabling our 'Future Croydon', the Transformation Plan 2024 – 2029, aligned to the delivery of the Medium-Term Financial Strategy and Executive Mayor's Business Plan.

### **Transformation**

- 4.6 The Improvement and Assurance Panel presented their Exit Strategy in 2023. It commits the Council to demonstrate, by July 2025, that it is on a path towards financial sustainability and can continue to transform without the need for Government oversight.
- 4.7 Children and Adult services have begun to lay the groundwork for radical transformation. Adult social services have already started work with a strategic partner to map out future opportunities and Children's services are soon to do the same.
- 4.8 The findings of the Resident Survey 2023 make clear that the people of Croydon want the Council to work better for them, and to understand them and their needs.
- 4.9 While there has been significant progress in the improvement of the Council and an increase in pace, the financial challenge of the Medium-Term Financial Strategy remains significant and exceptional in nature.

- 4.10 The Council is now at a critical point if it is to meet the aspirations of the people of Croydon and Council staff to deliver best value. A radical change is needed in the way the council works and how it delivers all the services it is required to.
- 4.11 Savings to date have been delivered that are significantly higher than other London boroughs. However, just under £100m more needs to be saved over the next four years, to deliver the Medium-Term Financial Strategy.
- 4.12 “Future Croydon” - the Transformation Plan 2024 - 2029 provides a framework for radical change over the next five years to deliver the priorities in the Executive Mayor’s Business Plan and the Medium-Term Financial Strategy. This transformation plan is framed through the lenses of **Our Council**, **Our Residents**, and **Our Place**.
- 4.13 For **Our Council** the aim is to be the most cost-efficient and effective council in London, totally focussed on its residents. The culture will be one that puts the customer first, organising around needs and experiences, harnessing technology, data, and the workforce to deliver a council that does less but what it does, it does better.
- 4.14 For **Our Residents** the aim is to put residents first. The council will continually strive to engage, listen, and empower residents. It will provide modern services with excellent customer care working closely with partners. Strategic partners are being brought in to help transform services to the most vulnerable. Improving the housing service is a priority and will be a relentless focus.
- 4.15 For **Our Place** the aim is for Croydon to be a cleaner, safer, and healthier borough. The council understands the importance of feeling good about the place where residents live, relax and work. The priority is to restore Croydon’s place as an important economic hub, regenerate the Town Centre and unlock the enterprise of the borough’s young people, addressing social issues and perceptions of safety and cleanliness. The council will promote respect across our neighbourhoods, harnessing the value of the diversity of the borough, fully recognising the importance of people’s values, beliefs, cultures, and lifestyles.
- 4.16 ‘Future Croydon’ - the Transformation Plan 2024 – 2029 will deliver programmes of work which will both transform the council and deliver the necessary savings in the Medium-Term Financial Strategy.
- 4.17 The plan has been developed in consultation with the Improvement and Assurance Panel, the Executive Mayor’s Advisory Board and Corporate Management Team and has involved senior managers. It builds on the programmes found in the Council Improvement Programme 2022 – 2027 that is already underway and sets a new direction to transform.
- 4.18 People and Culture Transformation Strategy, agreed at Cabinet in January 2023 was informed by engagement, consultation, and feedback from staff which provides a key foundation to build upon. Feedback at staff webinars and through existing improvement programmes highlight the need to improve the council’s systems and processes.

- 4.19 There should be no doubt that there will have to be difficult decisions about the money the council spends, the services it provides and how those services are delivered. The council will engage staff, partners, and residents in shaping the redesign of the council and services. There will be a detailed programme of staff engagement to support the development and delivery of improvement and transformation programmes and projects.
- 4.20 The scope of the change needed cannot be delivered solely by the council. There will also be engagement with council partners to build a shared understanding of the challenges the council faces to determine new ways of working in partnership. It means working closely with partners in the voluntary, business, and statutory sectors, being vigilant in seeking out funding opportunities where they exist and be intentional in bringing local communities together to support the council's transformation agenda.
- 4.21 This will be a radical piece of organisational redesign underpinned by data and digital ways of working supported by a modern, customer-focussed workforce.

### **Governance**

- 4.22 The Executive Mayor and the Corporate Management Team are responsible for the delivery of the council's improvement and transformation work. Programmes will change over time, to reflect emerging and changing priorities including feedback from staff, partners, and residents. These will be continually monitored, and progress reported publicly every six months to the Executive Mayor in Cabinet.
- 4.23 At present, some of the projects found in the Council Improvement Programme 2022 - 2027 have already been separately reported to members for approval and these projects will continue to report to members as they progress and to seek necessary approvals and guidance. In respect of new programmes and projects, found in the Council Improvement Programme 2022 – 2027 and 'Future Croydon' the Transformation Plan 2024 - 2029 as this progress and are scoped, they will need to be specifically reported to members for approval where they are key decisions, setting out critical information for those individual projects around parameters, timeframes, objectives, financial implications, legal requirements, and any associated risks.

## **5 ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 The council's approach to its financial situation has delivered annual savings that are significantly higher than other London boroughs and our statistical neighbours. The current approach is not sustainable and what is required is a radical approach to transformation.

## **6 CONSULTATION**

- 6.1 Findings from the Residents Survey in 2023 suggest that 45% of residents are satisfied with the way the council runs things. Residents who are satisfied with the council say this is because engagement with the council has been positive. Whereas those who are dissatisfied reference the councils' previous financial issues. Along with council satisfaction, 34% say the council represents value for money, and 41% feel it does a good job of keeping them updated. The council will continue to work to restore trust, demonstrating it is listening, and acting on residents' concerns.
- 6.2 Residents do however think highly of their local communities, with 82% agreeing that their local area is a place where people from different backgrounds get on well together, and 78% agreeing that they feel a sense of belonging to their local area. The council will continue to work with partners and residents to restore pride in the borough.
- 6.3 "Future Croydon" - the Transformation Plan aims to improve these perceptions by putting residents first, making the borough cleaner safer and healthier and by making the council one of the most efficient and effective in London. The council will work with staff, partners and residents to build pride in the borough.
- 6.4 Consultation and engagement around specific project proposals will be conducted as appropriate. We welcome comments and suggestions on the transformation plan. Please email [transformation@croydon.gov.uk](mailto:transformation@croydon.gov.uk).

## **7 CONTRIBUTION TO COUNCIL PRIORITIES**

- 7.1 'Future Croydon' the Transformation Plan 2024 - 2029 is a key element of the Croydon Mayoral Business Plan Outcome 1: Getting our finances right. With the council still reliant on government support, getting a grip on the finances is a top priority. This will mean difficult but necessary decisions will have to be made to make us financially sustainable for the future.
- 7.2 By transforming the council, through Outcome 1, we will be better placed to achieve the other 4 outcomes:
- Outcome 2: A place of opportunity
  - Outcome 3: Children and young people,
  - Outcome 4: Cleaner, safer, and healthier,
  - Outcome 5: Living healthier independent lives.

## **8 IMPLICATIONS**

### **8.1 FINANCIAL IMPLICATIONS**

- 8.1.1 'Future Croydon' - the Transformation Plan will be funded from the 2023-24 existing £14m funding (£10m budget and £4m earmarked reserves) and the annual £5m budget proposed in the Medium-Term Financial Strategy. The aim of the transformation plan is to deliver circa £100m of savings required by the Medium-Term Financial Strategy.
- 8.1.2 The November 2022 transformation plan, along with the existing budget allocations will be subsumed into the Council Improvement Programme 2022 - 2027. The Corporate Management Team will have direct responsibility for the allocation of 'Future Croydon' – the Transformation 2024 - 2029 Plan resources. The Executive Mayor in Cabinet will continue to receive monthly financial performance information showing project budget allocations, spend to date and forecast spend for the financial year as has been the case through the financial performance reports in 2023-24.

Comments approved by Allister Bannin, Director of Finance (Deputy s151 Officer), 04/03/2024.

## 8.2 LEGAL IMPLICATIONS

- 8.2.1 The Council as a best value authority “must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness” (Section 3 Local Government Act (LGA) 1999). The Best Value Duty applies to all functions of the Council.
- 8.2.2 On 20th July 2023, the Secretary of State for Levelling Up, Housing and Communities (“the SoS”) issued Directions under Section 15(5) of the LGA to the Council on the on the basis that the Council was failing to comply with its Best Value Duty and setting out actions to be taken by the Council to comply the duty. The SoS Directions require the Council to, amongst others, continue to address the culture of poor financial management and to restore public trust and confidence by transforming the Council’s activities, practices, and omissions to ensure that they are compatible with the best value duty. In addition, the Council is required to secure as soon as practicable that all its functions are exercised in conformity with the best value duty thereby delivering improvements in services and outcomes for the people of Croydon.
- 8.2.3 The Council's budget and policy framework procedure rules (Part 4C of the Constitution) provides that the Executive may only take decisions which are in line with the Budget and Policy Framework. As projects are further developed and additional information is available, they will need to be reported to members and shared with colleagues in finance and legal to assess the degree to which the proposals are within the Budget and Policy framework adopted by Full Council.

- 8.2.4 At present, the decision sought does not amount to approval of individual proposals and projects which may form part of the current plan or delivery document. There is insufficient detail for most of these at present to assess implications and risks arising; and each such project will need to be separately reported to Members as relevant information is available. In respect of a number of projects already in progress, these have been separately reported to members for consideration and approval and that will continue to be the case as these progress.
- 8.2.5 In respect of projects which have not already been reported to members and do not already have separate member approval and engagement; and which form part of the proposed plan/programme: as greater detail is available, not only will officers need to separately report to members for approval of decisions needed to take projects forward, but in addition, officers will need to seek specific legal advice as to the potential impacts and risks associated with the proposals as these proposals are developed and sought to be implemented. If any decisions fall within the remit of Full Council to determine as reserved functions they will, where that is relevant, need to be taken to Full Council for decision. There may be procurement requirements and to that extent, any such decisions will need to comply with the Council's Tenders and Contracts Regulations. Where contractual requirements are impacted by proposals, these will need to be addressed within the relevant change control process for the contract/s in question. There may be statutory or common law consultation requirements associated with individual proposals and projects – as yet this is not clear – and where this is the case, these duties will need to be adhered to in order to ensure that the project/proposal is lawfully implemented. There may be specific equalities impacts associated with individual proposals and projects which will need to be appropriately assessed and addressed as part of project development and implementation. Assessment of equalities impacts is an ongoing duty.
- 8.2.6 In addition, as projects which form part of the proposed plan/programme are scoped and brought forward, officers will need to be undertaking the necessary Data Protection Impact Assessments to support the Council's data protection duties, including in relation to ensuring privacy by design as part of the projects and their implementation. Under the UK GDPR and Part 3 (section 57) of the Data Protection Act 2018, the Council has a general obligation to implement appropriate technical and organisational measures to show that it has considered and integrated the principles of data protection into its processing activities.

Comments approved by the Head of Litigation and Corporate Law on behalf of the Director of Legal Services and Monitoring Officer. (Date 12/03/2024)

## 8.3 EQUALITIES IMPLICATIONS

8.3.1 The council has a statutory duty to comply with the provisions set out in the Equality Act 2010. In summary, the council must in the exercise of all its functions, “have due regard to” the need to comply with the three arms or aims of the general equality duty.

These are to:

- eliminate unlawful discrimination, harassment, victimisation, and any other conduct prohibited by the Act,
- advance equality of opportunity between people who share a protected characteristic and people who do not share it, and
- foster good relations between people who share a protected characteristic and people who do not share it.

8.3.2 The transformation has a range of projects that will be required to undertake an equality analysis at various stages to assess impact, taking appropriate mitigation action as required to support any decisions that are made.

8.3.3 An annual review of the improvement and transformation programmes and projects will be conducted to inform future planning.

8.3.4 Comments approved by Denise McCausland, Equalities Programme Manager. (12/02/2024)

## 9 APPENDICES

- Appendix one – ‘Future Croydon’ the Transformation Plan 2024–2029 (Final Draft)
- Appendix two - Council Improvement Programme 2022 - 2027

## 10 BACKGROUND DOCUMENTS

None