

# Public Document Pack

## Scrutiny & Overview Committee

Meeting held on Tuesday, 23 July 2024 at 6.30 pm in Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

### MINUTES

**Present:** Councillor Rowenna Davis (Chair), Councillor Alasdair Stewart (Vice-Chair), Leila Ben-Hassel (Deputy-Chair), Sue Bennett, Simon Fox and Eunice O'Dame

**Also Present:** Executive Mayor Jason Perry, Councillor Jason Cummings – Cabinet Member for Finance

**Apologies:** Councillor Leila Ben-Hassel (apologies for lateness – arrived 7.30pm)

### PART A

#### 47/24 **Minutes of the Previous Meeting**

The minutes of the meeting held on 8 July were agreed as an accurate record.

#### 48/24 **Disclosure of Interests**

There were no disclosures of interest made at the meeting.

#### 49/24 **Urgent Business (if any)**

There were no items of urgent business for the consideration of the Scrutiny & Overview Committee at this meeting.

#### 51/24 **Executive Mayor's Update to the Scrutiny & Overview Committee**

The Committee considered a report outlined on pages 15 to 48 of the agenda, which presented an update from the Executive Mayor on the delivery of his business plan. This report was included on the agenda because the Executive Mayor provides an update to the Scrutiny & Overview Committee at the start of each municipal year.

In attendance for this item were the following: -

- Executive Mayor Jason Perry
- Councillor Jason Cummings – Cabinet Member for Finance
- Katherine Kerswell – Chief Executive
- Nick Hibberd – Corporate Director for Sustainable Communities, Regeneration & Economic Recovery
- Debbie Jones – Corporate Director for Children, Young People and Education
- Jane West – Corporate Director for Resources and Section 151 Officer

- Allister Bannin – Director of Finance and Deputy Section 151 Officer
- Huw Rhys-Lewis – Interim Director of Commercial Investment & Capital
- Alan Layton – Interim Oracle Senior Responsible Officer

During the introduction to the report, the following points were noted: -

- Getting the Council's finances under control remained a priority for the Mayor, with it noted that a balanced budget had been delivered in 2023-24, unlike many other London boroughs which had budget deficits.
- The historic debt burden remained a significant barrier to the longer-term financial sustainability of the Council. The cost of managing the debt was the Council's third largest area of expenditure after Children's and Adult Social Care. The Mayor had written to the new Secretary of State for Housing, Communities and Local Government, the Rt Hon Angela Rayner MP, to highlight the challenges facing Croydon and would seek to continue the engagement with the government about the Council's financial sustainability.
- Both the Government appointed Improvement & Assurance Panel and the previous Secretary of State had recognised that pace of change and improvement in the Council had increased.
- There had been progress made in many areas over the past year, including improving the Planning service and updating the Local Plan. Westfield had bought out its partner Hammerson's interest in the town centre, which was another step toward redevelopment, with a range of meanwhile uses coming forward. There had been a huge amount of work to improve the Housing service, and the redevelopment of the Regina Road site was progressing as expected, supported by a £53.8m grant from the Mayor of London.
- The Mayor continued to be keen to listen to residents, holding eight question time events across the borough so far.
- It was highlighted that the Council had come a long way on its improvement journey, but there was still a lot to do to get Croydon back on track. It was agreed that everyone wanted Croydon to be the best it can be.

Before the Committee started to question the Mayor on the information provided in his report, the Chair extended the thanks of the Committee for the provision of the quarterly reports updating on the delivery of the Mayor's Business Plan, which provided a range of data that had helped to inform their questions. The Chair explained that the Committee had divided its questions under the following three themes – the Council's finances, Housing and Young People, as well as some initial overarching questions.

The first general question from the Committee asked the Mayor what his proudest success had been over the preceding year and what lessons had been learned during the process. The Mayor advised that the Blitz campaigns had been a particular success, bringing together Council services and partner

organisations to clean up local areas and tackle long-standing issues. The first of these had taken place in Norbury, and a second was underway in Thornton Heath, with plans for further campaigns being developed. In delivering these campaigns, it gave the Council and its partners the opportunity to engage with local people and businesses about what mattered most to them and to deliver actual physical change to the local area.

The next question asked the Mayor to identify two areas which had not seen as much progress as he might have liked. The first area highlighted was the Grass Cutting service, which, although a basic service, had proven challenging to restore after previously being cut. It had taken a couple of years to understand what had gone wrong, which could be linked to insufficient data and outdated machinery. The Council was using contractors to supplement the service this year and had purchased new equipment that was in the process of being rolled out.

The second area was the delivery of new bus shelters in the borough. It had taken two years to unravel the contract held with the previous contractor, Valo, who had not delivered the bus shelters they were contracted to provide, and to exit the contract. This work had now been completed, and the Cabinet was due to consider a report on 23 July proposing that the Council enter an agreement with Transport for London (TfL) for them to take on responsibility for the provision of bus shelters in the borough. It was highlighted that Croydon was currently one of only two London boroughs that did not have this agreement with TfL.

It was highlighted that the Mayor's report suggested there had been a greater focus on improving processes rather than delivering tangible outputs for residents. In response, while it was acknowledged that many processes had needed to be implemented or rebuilt, there had also been many tangible outputs delivered, including the implementation of a Public Space Protection Order (PSPO) in the town centre, changes to the planning services, the Blitz campaigns, and engagement with the residents of Regina Road on the redevelopment project. It was agreed that it was a reasonable assumption that the balance between processes and outputs would start to tilt more towards the latter in the coming two years, as much of the work to improve the Council's processes, such as the improvement work within the Housing service, led to improved delivery.

Turning to finance, an update was requested on whether there had been any contact with the new Government yet to discuss the financial sustainability of the Council. It was confirmed that there had been no contact with the new Government yet, but it was still very early days. As noted earlier in the meeting, the Mayor had written to the Secretary of State, as well as the local MPs, to highlight the challenges facing Croydon.

It was questioned whether Croydon was receiving its fair share of health funding from the NHS and what action had been taken to address any disproportionality in funding across South West London. In response, it was advised that Croydon had 50% of the need within the area covered by the South West London Integrated Care Board, but at present did not receive the

equivalent level of funding. This had been acknowledged by the Council's health partners, and it was hoped that there would be a change in Croydon's favour over time, but it would be difficult to change the allocation straightaway.

It was noted that £11.1m had been underspent in the 2023-24 budget as a result of staff vacancies. Although it was acknowledged that a level of vacancy was to be expected within a large organisation such as Croydon, it was questioned whether this level was sustainable for the organisation and whether it presented a risk to any services. It was confirmed that while there always would be vacancies and the current level was not out of the ordinary in comparison to other boroughs. If a role was held vacant for a long time, it would be preferable to review whether it was still needed and, if necessary, remove it. Going forward, it would be expected throughout the transformation programme that the level of vacancies may increase as vacant posts are held until they are reviewed as part of the process. There was always a risk to the sustainability of an organisation if it was carrying too many vacancies, but at the moment the current level was manageable and under control. For instance, Social Care had a rate of 80% of full-time equivalent posts filled, which was at its highest level for several years.

In response to a question about what the Administration would do differently in its management of the budget going forward, it was advised that the biggest change was the Transformation programme, which aimed to save £100m over a four-year period. There would also need to be a different solution found for the Council's £1.4 billion General Fund debt. At present, asset sales were being used to bring down the debt, but this would not be sustainable in the longer term. A longer term, sustainable solution would need a different approach from the Government to identify.

In follow-up, it was questioned what would happen should the Council run out of assets to sell and no agreement had been reached with the Government to ensure the Council's financial sustainability. It was advised that in this scenario, the Council would need to acquire additional borrowing to pay for the interest on the debt, which would be unsustainable. The previous Government's approach was to permit local authorities to use capitalisation to cover a shortfall in revenue budgets. If the new Government removed this capitalisation permission without identifying another, more sustainable solution, then it was possible that the Council would need to issue another Section 114 notice and implement a further drastic reduction of services, which would put the future of the authority at risk.

The next question asked about the budget for the Transformation Programme and how the Mayor reassured himself that it was providing value for money. It was advised that a budget of £5m per annum was built into the Medium Term Financial Strategy (MTFS) for transformation, which allowed investment to be made into services for the delivery of a different operating model. By procuring delivery partners, it allowed the Council to operate at a faster pace and deliver transformation alongside providing services for residents. Both expenditure and delivery of transformation projects were monitored monthly by the Mayor, which helped to provide reassurance that value for money was being achieved and that the transformation work was achieving its aims.

Moving on to questions related to housing, it was noted that the key performance indicators on the use of temporary accommodation indicated that performance was worsening. As such, it was questioned when improvement could be expected. In response, it was highlighted that London was the focal point for the majority of the country's homelessness cases, with demand increasing on a weekly basis. A key driver of the improvement work within the service had been to deliver an increased focus on early intervention and prevention, rather than reacting to cases of homelessness after they had occurred. The improved provision of advice on eviction and debt management would lead to a reduced demand for housing and was already starting to have an impact on the number of people requesting homelessness support. However, at this point in time it was difficult to predict when demand for housing was likely to stop rising.

Consideration was being given to how best to accurately monitor performance for the Homelessness service, as not all the targets currently measured were within the control of the Council. The collection of data had significantly improved within the services and could be used to provide more relevant targets for meeting the demand of people who are eligible for housing. There was also a conversation about whether the term 'temporary accommodation' was still correct, as due to the challenging environment for housing, many of the temporary solutions provided were often permanent.

The next question focused on responsive repairs, particularly that only 51% of council tenants were satisfied with their repairs. The Mayor confirmed that he was not happy with the satisfaction rate but highlighted that the new service, replacing the previously failing service, had only gone live in August 2023. The new service, provided by three contractors, included bringing the call centre back in-house. Once the new service started, it quickly became clear that the level of demand was much higher than anticipated, which led to the contracted delivery plans and resources within the call centre being reviewed and additional resources allocated. It was highlighted that the Council's response to the higher-than-anticipated level of repairs was a good indicator of the improved governance processes, allowing the Council to quickly respond to unforeseen issues.

It was noted that in the most recent performance report for the Mayor's Business Plan, considered by the Cabinet on 15 May 2024, it was reported that 12% of residents were abandoning calls before they were answered. It was questioned what was being done to improve the abandonment rate. It was advised that the call centre had been expanded and extra training had been provided to staff to help them triage calls more effectively. The most recent data indicated that the call abandonment rate had significantly improved, down to 4%.

Regarding the work of the transformation partner in the Children's service, it was advised that their biggest area of focus would be on placements, as this was the largest area of cost for the service. Other areas to be looked at included fostering, early intervention, and ensuring the Council was maximising its income.

Further information was requested on the possible provision of family hubs. It was advised that the Council had opened a family hub in Selsdon, which was delivered using a multi-agency approach and focused on the provision of early years support. Funding had been secured for a second hub, which was likely to focus on support for older children, and a third was being planned.

The Mayor was asked which areas he was paying the closest attention to within the Children's Service. In response, it was advised that the area receiving the most attention was Placements, due to the impact the cost of placements had on the Council's budget. The Council was anticipating an Ofsted inspection in the near future, so there was also a lot of work underway to prepare for this, with it hoped the outcome would reflect the progress made within the service. Additionally, there had been significant investment in developing the offer available for care-experienced young people, to ensure that they were given the best start in life.

It was noted that, at present, Croydon was below the London average in reading, writing, and maths for educational stages 2-4. As Croydon had previously been achieving good results, it was questioned why this had changed. It was acknowledged that the current level of performance was not as high as it should be, but it was advised that there was an ongoing commitment to driving up educational attainment in the borough. It was important that the Council worked with and supported schools, particularly those that were struggling, which had resulted in the Education Partnership being set up. The Partnership brought together schools from across the borough to help the Council understand the issues schools were facing, to work in partnership with them in driving up attainment. It was confirmed that the Education Partnership had an independent Chair and met on a bi-monthly basis. In addition, it had set up groups to focus on specific areas such as exclusions and attainment.

Further information was requested on the Council's strategy for ensuring schools were able to access Education, Health & Care (EHC) Plan assessments for their pupils when needed. It was advised that the Council's performance had significantly improved over the last couple of years, in part because of the locality support provided. While it was recognised that there was a high level of demand in Croydon, the current level of performance in terms of EHC Plans issued within twenty weeks (66%) exceeded both the London average (55%) and the Council's target (62%).

An update was requested on the development of the Tackling Violence Against Women & Girls (VAWG) Delivery Plan. It was advised that the plan was due to be considered by the Cabinet on 24 July 2024. There had been a lot of work on the creation of the plan to ensure that it would be a live document that would deliver change to the streets of Croydon. Areas included in the plan encompassed ensuring the appropriate level of support for victims and tackling behaviour of perpetrators, including working with young boys to educate them on what was acceptable. The plan was to be delivered in partnership with entities such as the Police, NHS, Family Justice Service, schools, and the community and voluntary sector. Although a direct budget

had not been allocated for the Delivery Plan, there were existing resources ring-fenced within service budgets.

At the conclusion of the item, the Chair thanked the Mayor for his engagement with the questions of the Committee.

### **Conclusions**

Following its discussion of the latest Executive Mayor's report, the Committee reached the following conclusions: -

1. The Committee acknowledged that there had been improvements delivered across the Council over the past two years in difficult circumstances. However, it was also recognised that there was still a long way to go on the improvement journey.
2. The Committee welcomed confirmation from the Mayor that there would be more improvements in terms of outcomes, as well as processes, in the next two years.
3. The Committee concluded that the Council's finances remained its biggest risk and would remain so until a sustainable solution was found.

### 51/24 **Oracle Improvement Programme Update**

The Committee reviewed a report detailed on pages 49 to 180 of the agenda, which provided an update on the Oracle improvement programme—the software suite used by the Council for HR and financial processes. This report was included on the agenda because the project had been previously recognised by the Committee as a critical measure in enhancing the Council's financial and staffing controls.

In attendance for this item were the following: -

- Councillor Jason Cummings – Cabinet Member for Finance
- Katherine Kerswell – Chief Executive
- Nick Hibberd – Corporate Director for Sustainable Communities, Regeneration & Economic Recovery
- Debbie Jones – Corporate Director for Children, Young People and Education
- Jane West – Corporate Director for Resources and Section 151 Officer
- Allister Bannin – Director of Finance and Deputy Section 151 Officer
- Huw Rhys-Lewis – Interim Director of Commercial Investment & Capital

- Alan Layton – Interim Oracle Senior Responsible Officer

During the introduction to the report by the Cabinet Member for Finance, the following points were noted: -

- It was essential to ensure that the Council can effectively produce data, as this is crucial for the Council's broader improvement. The Oracle Improvement Programme would play a significant role in enhancing the availability and accuracy of the data used by the Council moving forward.
- When the Oracle system was originally installed in 2019, the minimum amount of functionalities available were enabled, which were adapted to work within existing Council processes. The implementation team, responsible for the rollout of the software was also removed, as a cost saving, before the project was completed.
- A primary aim of the Improvement Programme was to ensure that the Council utilised the Oracle system's full functionality, adapting Council processes as needed to deliver the maximum potential benefits.
- In the early stages of the Improvement Programme, there had been substantial engagement and support from staff, who were starting to recognise how the Oracle system could enhance performance.
- A significant challenge to the Oracle system's implementation at Birmingham Council was the attempt to modify the system's functionality to fit their processes instead of adapting the processes to the system.

After the introduction, the Committee proceeded to ask questions about the Oracle Improvement Programme based on the information provided. The initial inquiry was whether appropriate resources were in place to ensure the system's integration throughout the Council by the programme's conclusion. It was confirmed that the Council had invested substantial resources into change management as part of the programme. This included a dedicated HR change lead, subject matter experts, and business owners to spearhead the transition across the organisation. The project's costs encompassed the implementation and training necessary to establish a self-sufficient system. Upon the project's completion, the resources required for the system's ongoing and continuous improvement would be reviewed.

In response to a question about the lessons learned from the previous rollout, it was advised that a commitment to fully utilising the system's functionality was essential to maximising the potential savings. It was important to view the project as part of the Council's broader transformation, which had the aim of becoming the most cost effective and efficient local authority in London. There



were clear business cases for both the finance and HR aspects of the improvement program, which included success measures to ensure that progress could be monitored. Going forward, it was essential for the Council to stay abreast of changes to the system.

Concerns were raised about whether there was sufficient capacity within the organisation to manage the rollout alongside ongoing transformation projects. It was noted that staff across the Council were currently using various systems, which complicated budget tracking. By fully utilising the Oracle system, it would ensure a single version of truth for all, which promised to be less burdensome than the existing methods. In preparation for the program's rollout, time had been invested with heads of service and directors to unify the process and foster a community of understanding and shared leadership. It was confirmed that any specific capacity issues should be addressed through established management processes.

In follow-up, it was questioned whether there would be the capacity to keep up with the quarterly software updates going forward. It was advised that this issue would be addressed as part of the skills transfer throughout the 18-month programme. However, additional resources had already been allocated in the Strategic Finance Service budget for ongoing system development and training for both service and finance staff. The ongoing resources needed to maintain the system would need to be reviewed at the end of the project to ensure the appropriate skills were in place. One option to explore would be the potential for sharing resources with other local authorities.

It was confirmed that there were no known abortive costs arising from previous work on embedding Oracle across the organisation, although it was acknowledged that there were missed opportunities. It was also confirmed that the support contract with Mastek, which was due to end in August 2024, had recently been renewed.

It was questioned what actions were being taken to manage current dependencies and streamline processes to ensure the long-term integration of the full Oracle system. It was advised that a primary objective of the programme was to reduce the number of different systems operated across the Council, and it was questionable whether any existing processes could not be accommodated within Oracle. If a service continued to use alternative processes, it would be rigorously scrutinised as to why these were necessary and not deliverable in Oracle. The Oracle Working Group had been reviewing integration.

In light of the recent global IT outage, concerns were raised about the existence of a contingency plan in the event that Oracle became unavailable. In response, it was emphasised that Oracle was a cloud-based system accessed via the web with built-in resilience. Should the worst-case scenario occur and the system become unavailable, the Council would revert to its

business continuity plans for critical functions such as payments. While a 100% guarantee of uninterrupted service cannot be provided, the advantages of fully implementing the Oracle system significantly outweigh the drawbacks of persisting with the current systems.

It was confirmed that the potential savings to be realised from the programme were currently being finalised and will be included in the updated Medium Term Financial Strategy, set to be presented in the autumn. It was anticipated that some savings will be achieved in 2025-26, with further savings expected from 2026-27 onwards. While the exact amount of savings was still under refinement, early indications suggest that up to £2.2 million could be saved annually starting from 2026-27.

The final question for this item inquired about how the programme would align with the work to develop a target operating model for the Council. It was emphasised that the work on the target operating model aimed not to duplicate activity in other areas but to complement them. The fundamental goal of the target operating model was to transition the Council towards a more technology-driven, self-service approach, which was in line with the Oracle programme.

### **Actions**

Following its discussion of the latest Oracle Improvement Programme Update, the Committee agreed the following actions to follow-up outside of the meeting: -

1. The Committee agreed to scrutinise the potential savings from the Oracle Programme as part of the budget scrutiny process later in the year.
2. The Committee agreed that it would like to have sight of the framework being developed to monitor the delivery of the broader range of benefits from the Oracle Improvement Programme.

### **Conclusions**

Following its discussion of the Oracle Improvement Programme Update, the Committee reached the following conclusions: -

1. The Committee noted that the upgrade to the Council's use of the Oracle system was clearly needed.
2. The Committee agreed that they felt there were risks to the programme in terms of the capacity and available resource to ensure delivery, which they may want to revisit to seek further reassurance that these risks were being effectively managed.

3. The assertion that the provisional savings identified from the programme, could mean that it pays for itself within a few years was welcomed, although the Committee wanted to see evidence of this as part of the budget scrutiny process.

## 52/24 **2023-24 Provisional Outturn Financial Performance Report**

The Committee considered a report outlined on the pages of the agenda supplement, which presented the Provisional Outturn Financial Performance Report for 2023-24. This report was included on the agenda as part of the Committee's ongoing focus on the Council's financial sustainability.

In attendance for this item were the following: -

- Councillor Jason Cummings – Cabinet Member for Finance
- Katherine Kerswell – Chief Executive
- Nick Hibberd – Corporate Director for Sustainable Communities, Regeneration & Economic Recovery
- Debbie Jones – Corporate Director for Children, Young People and Education
- Jane West – Corporate Director for Resources and Section 151 Officer
- Allister Bannin – Director of Finance and Deputy Section 151 Officer
- Huw Rhys-Lewis – Interim Director of Commercial Investment & Capital

During the introduction to the report by the Cabinet Member for Finance, Councillor Jason Cummings, the following points were noted: -

- It was highlighted that the Council's General Fund revenue budget for 2023-24 was forecasted to balance, albeit with permission from Government for a £63 million capitalisation direction.
- The use of capitalisation was not uncommon in local government over the past couple of years, but not all local authorities being granted permission to use capitalisation were staying within their budgets.
- As the pressure on the budget had not disappeared, it was pleasing to be able to increase the Business Risk reserve by £10.1 million.
- Looking forward to 2024-25, the budget was likely to see continued pressure in areas such as SEND transport, social care placements and temporary accommodation, which were common pressures across the local government sector.
- It was noted that one of the reasons why the 2023-24 budget balanced was due to the identification and implementation of savings throughout the year. These savings had already been applied to the 2024-25 budget, which meant there would be even less wriggle room in the year ahead.

Following the introduction of the report, the Committee proceeded to ask questions on the information provided. The first question asked for an update on the timeline for auditing the outstanding accounts. It was advised that the Council had completed its work on the 2019-20 accounts and these were with the external auditor, Grant Thornton, for sign off. The Council was working on the 2020-21 accounts audit queries with a new audit manager and team at Grant Thornton and was targeting taking these accounts to the Audit & Governance Committee meeting in October 2024. The previous government had proposed the introduction of a backstop that would allow the backlog of accounts across local government to be brought up to date with reduced audit, with the full audit process restarting from the most recent accounts. This legislation was currently on hold and there had been no indication from the new government as to how it would move forward with this. The Council's target would be to deliver audited accounts every six months until it had caught up with its backlog, but this was dependent on whether the backstop was introduced or not.

It was questioned why the Council had only achieved £33 million of its £36 million savings target set out in the Medium Term Financial Strategy. In response, it was advised that getting to the level achieved was a good result and quite normal that not all savings identified at the start of the year were achieved. Some of the savings not delivered in-year had been rolled over to 2024-25 where they were still considered to be achievable.

It was questioned whether there was uncertainty about the cost of the Council's borrowing and the impact of interest rates on the debt repayment. It was confirmed that the vast majority of the Council's debt was locked in at low rates, but approximately 20% was held in shorter term loans that would need to be refinanced. The average interest rate the Council paid on its short term debt was 4.7% and the rate on the longer term debt was approximately 3%.

In response to a question about how the assumptions in the budget had turned out, it was advised that the assumptions for debt charges had come in on budget. The cost of inflation was higher than had been budgeted for, which would be reflected in assumptions made for the updated Medium Term Financial Strategy later in the year. The cost of inflation varied significantly between services, with the cost of social care placements and temporary accommodation seeing the greatest impact.

It was confirmed that the Council had submitted a Financial Sustainability Plan to the Department for Levelling Up, Housing & Communities under the previous government. Conversations had been ongoing with officials, but there had not yet been the opportunity to meet with the new government. It was important to ensure that any suggestions made could be replicated across the local government sector.

In response to a question about how the overspend within the Children's service was being managed, it was highlighted that this was a national issue with many local authorities facing budgetary pressures. There was a focus in Croydon to ensure as many children as possible were placed in foster care rather than residential placements. There was also extensive monitoring of

individual placements on a weekly basis. Looking forward, the work with the Council's strategic partner, Impower, would present the greatest opportunity to manage the cost of placements, including the introduction of a new tool called Valuing Care. There was also other work underway on the market conditions in the borough and better developing it for Croydon's children, rather than for those being placed locally from outside the borough. It was confirmed that one option being considered as part of the development of the local market was the provision of more children's homes.

In response to a follow-up question about the cost of out-of-borough placements into Croydon, it was advised that the cost of any such placements was met by the home borough. However, the children being placed often had complex needs which could lead to other related costs, including for partners such as local healthcare providers and the Police.

It was noted that there was an overspend in the budget for the provision of SEND transport, with it questioned how this was being managed. It was advised that the budget pressure had been created by an unprecedented demand for the service and it was anticipated that this demand would continue in the coming year. There had been a 30% increase over the past two years in the number of young people eligible for transport and a 95% increase over the past five years in expenditure on home to school transportation. There was a whole programme of work looking at the end to end process to both manage demand and ensure that value for money was being achieved. The dynamic purchasing system used by the service to procure routes was being reviewed with costs being benchmarked against those of other local authorities. It was agreed that the work on managing the cost of SEND transport may be something for the Streets & Environment Sub-Committee to revisit as part of its work programme in the year ahead.

Regarding the cost to the Council for supporting unaccompanied asylum seeking children, it was advised that funding had been provided by the government in recognition of the additional burden on Croydon. Having the National Transfer Scheme in place meant there were less new children entering the system, but the existing children were now care experienced young people. The additional cost was not as much as it was, but it was being analysed for submission to the Home Office and had been included in the previously mentioned Financial Sustainability Plan.

Turning to the backlog of housing repairs, it was questioned whether the peak of the outstanding repairs had now been reached. It was advised that the budget for repairs had been increased in 2024-25 to make allowance for an increased volume of repairs. There was a target to clear the backlog within 18 months, with the volume expected to continue at a high rate for at least another year. Reassurance was given that there had recently been a detailed review of how repair costs were being allocated between revenue and capital expenditure which had resulted in some costs being reallocated. The introduction of the NEC system within the Housing service would make forecasting the potential expenditure for repairs easier going forward.

An update was requested on the capital programme and the consequences of any slippage from 2023-24 to 2024-25. Reassurance was given that the Department for Education had confirmed that the grant funding provided for school capital improvements could be rolled over to 2024-25. Similarly, the funding for Growth Zone capital projects could also be rolled over as this was controlled by the Council, having been generated through the retention of business rates income as part of the Growth Zone scheme. It was highlighted that the Education Capital Delivery team had now been brought within the wider Capital Delivery team and the Education Programme Board had been reinstated. These changes had brought a greater level of oversight over delivery. It was confirmed that no projects had been taken out of the capital programme in-year during 2023-24.

For the final question on this item, confirmation was requested on cost of borrowing in 2024-25, as a result of the delay in the sale of Red Clover Gardens. It was advised that it had been hoped there would be no borrowing required for the General Fund Capital Programme in 2024-25, but due to the timing of the sale, borrowing was required on top of capital receipts. £15 million had been borrowed, but for the small amount of time it was required in 2024-25, it would have added debt cost of approximately £50,000.

At the conclusion of this item the Chair thanked the Cabinet Member and officers for their engagement with the questions of the Committee.

### **Actions**

Following its discussion of the 2023-24 Provisional Outturn report, the Committee agreed the following actions to follow-up outside of the meeting: -

1. It was agreed that the work to manage the cost of providing SEND transport should be scrutinised in more detail by the Streets & Environment Sub-Committee as part of its work programme.

### **Conclusions**

Following its discussion of the 2023-24 Provisional Outturn report, the Committee reached the following conclusions: -

1. The Committee welcomed confirmation that the Council was forecasting a balanced budget for 2023-24, albeit with permission from the Government for a £63m capitalisation direction.
2. The Committee welcomed the adjustments made within the Housing Revenue Account to budget for the higher volume of repairs required
3. The Committee noted the overspend within the Childrens budget and looked forward to seeing the outcome of the work with its strategic partner, Impower, to address some of the concerns raised, particularly around placements.
4. The Committee was concerned about the level of slippage within the Capital Fund Programme, particularly when it came to capital

investment in education, and looked forward to reviewing the steps the Council said it was taking to address that slippage.

53/24 **Scrutiny Work Programme 2024-25**

The Committee considered a report set out on pages 181 to 204 of the agenda which presented the most recent version of the work programme for the Scrutiny & Overview Committee and its Sub-Committees.

It was agreed that delivery of the potential savings from the Oracle Improvement Programme should be revisited during the budget scrutiny process later in the year.

**Resolved:** The Scrutiny & Overview Committee agreed to note the most recent version of the Scrutiny Work Programme 2024-25.

54/24 **Exclusion of the Press and Public**

This motion was not required.

The meeting ended at 9.28 pm

**Signed:**

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**Date:**

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