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Scrutiny & Overview Committee

Meeting held on Tuesday, 26 September 2023 at 6.30 pm in Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

MINUTES

Present: Councillor Rowenna Davis (Chair); Councillor Richard Chatterjee (Vice-Chair) Leila Ben-Hassel, Gayle Gande (reserve for Jade Appleton), Simon Fox and Eunice O'Dame.

Also Present: Executive Mayor Jason Perry

Apologies: Councillor Jade Appleton

PART A

50/23 **Minutes of the Previous Meeting**

The minutes of the meeting held on 25 July 2023 were agreed as an accurate record.

51/23 **Disclosure of Interests**

There were no disclosures of interest made at the meeting.

52/23 **Urgent Business (if any)**

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

53/23 **Mayor's Business Plan 2022-2026: Performance Report**

The Committee considered a report set out on pages 17 to 46 of the agenda which outlined the proposed performance indicators that would be used to measure the delivery of the Mayor's Business Plan. The report had been included on the agenda to provide the Committee with the opportunity to comment on these indicators prior to the first performance report being prepared for the Cabinet meeting on 25 October 2023.

The Executive Mayor of Croydon, Jason Perry, Chief Executive, Katherine Kerswell, Assistant Chief Executive, Elaine Jackson, Corporate Directors Nick Hibberd, Debbie Jones, Annette McPartland, Susmita Sen, Jane West, Director of Policy, Programmes & Performance, David Courcoux and Business Insight Manager, Craig Ferguson, attended the meeting for this item.

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

- The Mayor's Business Plan had been agreed by Council on 14 December 2022 and the report presented to the Scrutiny & Overview Committee outlined the key performance indicators (KPI) that would be used to monitor the delivery of this plan.
- The performance framework had been created through a process of reviewing the previous framework to align it to the Mayor's Business Plan and benchmarking against KPIs used by other boroughs.
- This process had resulted in the identification of the 78 recommendations set out in the report. There were also another 10 potential KPIs that had been suggested by the Mayor which were being developed for inclusion in future reports.
- The KPIs had been deliberately kept at a strategic level and were split into two categories. The first category were indicators where the Council had direct responsibility for delivery and the second category were indicators the Council delivered in partnership and did not directly control.
- It was proposed that the performance reports would be split into three sections. Firstly, a broad high level report, secondly an appendix setting out the indicators with a Red, Amber, Green (RAG) rating and benchmarking data, and thirdly an appendix providing more detail on each of the indicators including context from the relevant directorate.
- The methodology for grading the RAG rating would be as follows; if performance was on target, it would be rated as green, if performance was within 10% of the target it would be rated as amber, if performance was over 10% below the target it would be rated as red.
- Where available and relatively current, national bench marking data would be included in the performance report.

Following the introduction to the report, the Chair advised that the consensus of the Committee from their pre-meet had been that the performance report was a good piece of work and clearly presented.

The first question raised by the Committee on the report asked whether there had been any community engagement in the development of the KPIs. It was advised that the process to create the KPIs had started with the previously used KPIs, supported by benchmarking these against six other local authorities. The indicators had then been cross checked against the Business Plan to select the most relevant before coming to the Scrutiny & Overview Committee for its feedback. There had been no direct community engagement on the development of the KPIs, but the Mayor's Business Plan did come with community support as it was based on the Mayor's election manifesto.

As the process had included benchmarking against other local authorities, it was questioned whether this had included other Mayoral authorities and how the number of KPIs identified compare to the other authorities. It was confirmed that the 78 indicators proposed were of a similar number to that used by other local authorities. It was also the case that there was not a wide range of difference in the KPIs used by different authority types, so the benchmarking had not included a specific comparison against Mayoral authorities.

It was questioned whether consideration had been given to using regular residents' surveys rather than KPIs to measure performance. It was highlighted that a survey would provide the residents views on council services, while the performance report was data driven. Work was underway to prepare a resident survey, but it was likely that this could only be undertaken on an annual basis. Qualitative data would also be gathered from other areas such as through analysis on complaints and feedback received at Mayoral events.

In response to a follow-up about how the residents survey would be conducted, it was advised that it would involve face to face surveys. An external company had been contracted to undertake the process with it expected that 2,700 interviews would be completed. There was a requirement for the interviewees to be representative of the borough, so it may be the case that further targeted interviews are undertaken if it was found that certain groups were underrepresented.

The Committee agreed that identifying specific KPIs to demonstrate the vitality of the town centre would be a challenge, it was welcomed that the Mayor had asked officers to explore potential options in this area. The Committee suggested that footfall, the number of empty unit or the level of business rate income could be potential indicators used for this.

In response to a question about whether, given the high profile challenges within the service, there was enough housing related KPIs in the report, it was highlighted that there was already a significant focus on housing, with quarterly reports to Cabinet and the Housing Improvement Board, alongside the regulator working with the service. At present a full suite of indicators were being developed for the service in conjunction with the Housing Improvement Board and residents. The Committee suggested that void turnaround times and repair response times should be considered as possible additional indicators for future performance reports.

It was noted that there were very few KPIs included in the report on staffing, such as vacancy rates. It was advised that there were a few indicators related to staffing, but as it was a public facing report, the primary focus was on public facing services rather than inward facing areas such as staffing. It was agreed

that officers would be asked to review how staff issues were reflected in the report.

In response to a question about why there were few indicators in the report that related to poverty, it was advised that identifying indicators that could measure the level of poverty in the borough were difficult to define. Options under consideration included the employment rate in the borough and an annual KPI on weekly earnings. It was highlighted that there was a wealth of poverty related information on the Croydon Observatory, which was broken down to ward level.

It was suggested by the Committee that indicators should also be considered for Adult Social Care, to monitor the waiting times for services, although it was acknowledged this was being tracked at a directorate level. It was also suggested that an indicator on the level of violence perpetrated against women and girls could also be monitored, even though this area of work was primarily led by the Police.

In response to a question about how the data underpinning the report would be collected and verified, it was confirmed that the data would be reviewed by the Corporate Management Team and the Mayor's Advisory Board monthly. If any issues were raised by the monitoring process, these would be picked up at the departmental level in the first instance, with an escalation process being trialled. Many of the KPIs would be drawn from pre-existing data and tested by the Business Insight Manager.

It was questioned how the data used for the performance report would be presented, with a request made for as much visual representation as possible. It was advised that a lot of the data relating to services would be imported into the Croydon Observatory, which would allow it to be presented in different formats, with other ways to display data within Croydon Observatory being explored.

The final question of the session asked whether there was a buy-in from the wider workforce on the importance of the reporting process and ensuring accuracy and openness when submitting data. It was advised that a clear message had been given to staff that the performance reporting process was not about hiding bad data and presenting everything as perfect. Having a 'red' RAG rating allowed issues to be highlighted and would prompt a discussion on what was needed to improve performance.

At the conclusion of this item, the Chair thanked the Mayor and officers for their attendance at the meeting and their engagement with the questions of the Committee.

Actions

The Scrutiny & Overview Committee agreed the following actions arising from their discussion of this item: -

1. A request was made for the questions to be used in the Residents Survey to be shared with the Committee, once available.

Conclusions

Having reviewed the report and the information provided at the meeting, the Scrutiny & Overview Committee reached the following conclusions on the Mayor's Business Plan – Performance Report: -

1. Having reviewed the proposed performance indicators to be used to track the delivery of the Mayor's Business Plan, the Committee agreed that it was broadly supported of the 78 indicators outlined in the report.
2. Although supportive of the 78 performance indicators included in the report, the Committee also agreed that there were some areas where additional indicators may be beneficial, such as indicators to help measure the vitality of the town centre, the performance of the housing service and waiting lists for services in Adult Social Care.
3. The Committee agreed that, wherever possible, clarity had been provided in setting out how the performance indicators would be measured and how success would be defined.
4. The Committee welcomed the use of a clearly defined RAG rating system to provide an overview on delivery, especially as it was supplemented with the provision of an appendix giving a more detailed breakdown on the delivery of each of the indicators.
5. The Committee also welcomed the use of benchmarking data, where available, as a means of comparing the Council's performance against that of similar local authorities.
6. The Committee was supportive of the proposed approach to use qualitative feedback gathered from resident surveys to crosscheck service performance against the quantitative data used in the Performance Report.

Recommendations

The Scrutiny & Overview Committee agreed to submit the following recommendations for the consideration of the Mayor: -

1. The Committee recommends more performance indicators to measure the vitality of the town centre be included, such as footfall, the number of empty units and business rates.

2. Given the substantial transformation within the service, the Committee would recommend that additional performance indicators related to Housing are added to the Performance Report to monitor improvement for key areas, particularly void turnaround times.
3. Given the increasing demand upon services within the Adult Social Care directorate, the Committee would recommend the inclusion of performance indicators to track the waiting times for residents to access services with the highest demand.

54/23 **Month 3 2023-24: Financial Performance Monitoring**

The Committee considered a report on pages 47 to 82 of the agenda that provided an overview of the latest budget position for 2023-24 up until the end of Month 3 (June 2023). This report was included on the agenda as part of the Committee's ongoing scrutiny of the delivery of 2023-24 budget.

The Chief Executive, Katherine Kerswell, Corporate Director for Resources & Section 151 Officer, Jane West, Director of Finance, Allister Bannin, Assistant Chief Executive, Elaine Jackson and Corporate Directors Nick Hibberd, Debbie Jones and Annette McPartland were in attendance for this item at the meeting.

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

- The budget for 2023-24 was only balanced due to the £63m capitalisation request being granted by Government.
- It was predicted that the budget shortfall next year would reduce to £38m, which would then be needed to be found each year on an ongoing basis.
- To stay within budget for this year, the Council must deliver £33m of savings, which was the highest level of savings needed within the London boroughs.
- Two directorates, Childrens and Adults Service, have flagged that their activity rates have continued to increase which means it possible that there would be an overspend in this area.
- However, a balanced budget was still predicted as other directorates were forecasting an underspend which would help to reduce the identified overspend alongside used of the corporate contingency fund.
- The Housing Revenue Account (HRA) was forecasting a £3.8m overspend due to the additional work required to address the missed repair back log, the work to improve void turnaround times and higher legal fees than budgeted for linked to disrepair cases.

It was highlighted that a report was due to be considered by the Executive Mayor at the Cabinet meeting on 27 September 2023 that requested the allocation of additional funding for a project aimed at maximising the functionality of the Oracle system used by the Council for finance and HR processes. Reassurance was sought by the Committee about the potential impact of the issues highlighted in the Cabinet report and whether there was a risk to the accuracy of the financial reporting of the Council. It was advised that the issues with the Oracle system were mainly inefficiencies related to staff time and not related to data accuracy. There was a specific issue related to integration with the new NEC Housing system, which was having an impact on accuracy within that specific area, but it was an identified risk and being managed accordingly.

Given media reports about the cost of fixing the Oracle system at Birmingham City Council, reassurance was sought about the cost of the improvement work in Croydon. It was advised that it had been estimated the project would cost between £2m to £5m, with it more likely to be delivered at the lower end of the estimate. The system was already in place and the Council would not be buying any new modules, instead the project was aimed at maximising the functionality of the existing system. One of the main workstreams for the project would be focussed on business change to ensure staff were getting the best use out of Oracle and able to use it fully.

It was confirmed that the total corporate contingency fund was £5m, which had been agreed as part of the Budget by Council in March 2023. At present, the month 3 forecast was predicting that £4.5m of the corporate contingency fund would be allocated to offset against overspends elsewhere within the budget. It was noted that the allocation of the corporate contingency fund had increase from £3.8m in month 2 to £4.5m in month 3, with concern raised about what would happen if the limit of this contingency fund was exceeded. It was advised that there was a view across the directorates that the currently forecast overspend would be corrected and budget holders were being regularly challenged by the Corporate Management Team on this. If the overspend exceeded the £5m in the corporate contingency fund, it would require the use of reserves to balance the budget. If the budget overspend reached the point where there was a need to use reserves, it would be escalated to Executive Mayor and Cabinet and there would be a corporate wide approach to finding a solution.

There was concern raised about how the restructure within the Homelessness service would impact upon budget savings in the current year. However, it was confirmed that any savings resulting from the restructure had not been factored into the 2023-24 budget. The primary driver for the restructure was to provide a better service which would lower demand and as a result reduce waiting lists. Additional agency staff had been brought into the service to help clear backlogs and to ensure the new structure was launched successfully.

Regarding the overspend within the Childrens service, it was asked whether there was any reassurance that the budget overspend could be corrected, in light of increasing staff costs and service demand. It was acknowledged that an increased demand for services was not unique to Croydon and was an issue across the country, with the report provided additional commentary to explain the pressures the service was experiencing related to a small number of high cost placements. The month 3 report provided a projection of the cost of these placements if they were kept in place for the whole year, but if circumstances changed these costs may be reduced. Officers were working with regional and national groups to highlight the challenges facing social care and the market was being increasingly monitored by Ofsted.

It was confirmed that the £3.8m projected overspend within the Housing Revenue Account (HRA) was in part related to the need to address a backlog of repairs and maintenance that had built up under the previous responsive repairs contract. In August 2023 the Council had appointed three new contractors to manage its responsive repairs service and they were currently working through this backlog. It was envisaged that although there may be further increases, costs were expected to plateau once the backlog had been addressed. The HRA had reserves of approximately £50m, which could be used to address the potential overspend in the current year, if needed.

It was questioned whether staff vacancies within the Sustainable Communities directorate were being used to offset the lower than expected income. It was highlighted that Sustainable Communities was the largest directorate in the Council with approximately 400 staff. There were a number of vacancies across the service, some of which were vacant due to recruitment difficulties and others were being held back for transformation purposes.

At the conclusion of this item, the Chair thanked the officers for their attendance at the meeting and their engagement with the questions of the Committee.

Actions

The Scrutiny & Overview Committee agreed the following actions arising from their discussion of this item: -

1. The Committee agreed to keep a watching brief on the Oracle Project, subject to its agreement by the Mayor in Cabinet on 27 September 2023, and that a deep dive on the outcome of the project would be scheduled when appropriate.
2. That a briefing would be arranged with the Director of Finance on Finance Performance Monitoring reports.

Conclusions

Having reviewed the report and the information provided at the meeting, the Scrutiny & Overview Committee reached the following conclusions on the Period 2 Financial Performance Monitoring report: -

1. The Committee agreed that it welcomed the honesty and openness of officers in response to their questions on the financial position of the Council.
2. The Committee was concerned about the projection that a significant proportion of the corporate contingency fund would be needed to balance the forecasted overspend within the budget and agreed that it would keep this under review.
3. The Committee welcomed confirmation that the inclusion of percentage variance would be added to future monthly reports from month 6.

55/23

People & Cultural Transformation Strategy: Action Plan

The Committee considered a report set out on pages 83 to 120 of the agenda setting out the action plan which underpinned the People & Cultural Transformation Strategy agreed by the Executive Mayor at Cabinet on 25 January 2023. The Strategy had been reviewed by the Scrutiny & Overview Committee on 30 January 2023, at which time the Committee agreed that it wanted to review the accompanying action plan once it had been completed.

The Chief Executive, Katherine Kerswell, Assistant Chief Executive, Elaine Jackson, Corporate Director of Resources, Jane West and Chief People Officer, Dean Shoesmith attended the meeting for this item.

During the introduction to the report by the Chief People Officer the following points were noted: -

- The People & Cultural Transformation Strategy had been developed through co-creation and this approach had continued for the development of the action plan.
- This co-creation approach included a range of sessions being held with staff on the seven pillars within the Strategy.
- This approach would continue throughout the life of the Strategy with regular engagement with staff and unions to test the Strategy to ensure it was having its intended impact.

Before asking questions on the report, the Chair highlighted that the Committee had met with staff and union representatives prior to the meeting to hear their feedback on the action plan, with the general consensus being

that it reflected the feedback given during the co-creation sessions. Having reviewed the action plan, the Committee was unsure how many of the actions would be measured to determine delivery and welcomed confirmation from the Chief People Officer that the action plan would be refined to ensure the actions were as SMART (specific, measurable, achievable, relevant, and time-bound) as possible.

It was questioned whether the issues with the Oracle system would have an impact on the delivery of the strategy. It was acknowledged that there was a lot of work needed to improve the system and processes for Oracle. However, the strategy was focussed on culture and behaviour rather than systems, which was why a co-creation approach had been used. A key improvement that would be looked for as part of the Oracle project was to improve the recording of management information such as staff establishment. There would also be work needed to build dashboards of data within Oracle as currently a significant amount of time was spent compiling this information outside the system.

Regarding apprenticeships, it was confirmed that there was an aim for the Council to have seven apprenticeships per directorate each year. 'Growing your own' was a key workstream in the strategy and included apprenticeships, the national graduate programme and supporting new social workers. The Committee welcomed the commitment to increasing the number of apprenticeships at the Council.

As a follow-up it was questioned how the Council would ensure that it had an inclusive approach to growing its own talent. It was advised that during the co-creation process, there was a strong message from staff that there needed to be a much more systematic approach to skills pathways and providing development opportunities across the Council. As such this was the focus of Pillar 4 in the strategy.

Regarding staff wellbeing, it was confirmed that mental health was the most significant reason for staff absence, with 5,500 days lost per year. As part of the work to address this, a bid had been made for covid funds to use for tackling wellbeing and mental health issues, including funding research on the reasons for mental health absence. Although there had been a recent audit on the mental health support available, which was positive, the funding would be used to look at the root causes and the support needed for these issues.

Further information was requested on non-pay related incentives available for staff. It was advised that there had been a recent campaign to highlight what was available for staff, with incentives such as discounted gym membership, discounted shopping, and cinema tickets available. The recruitment landing pages on the Council's website had also been revamped. Long service awards had been put in place and would begin in November, with 116 staff

with 20 years or more service. There would also be staff awards starting from April 2024.

An update was requested on number of days staff worked from home each week. It was advised that prior to the pandemic staff worked in the office 3.8 days per week and now it was 1.7 days per week. The Council had a Hybrid Working Policy which set attendance at 2 days per week and a recent pulse survey indicated that approximately a third of staff were in the office two or more days a week. A report was due to be considered by CMT on the issue, as a balance needed to be found between ensure services were being provided for residents and the expectations of prospective job candidates looking for greater flexibility post-pandemic.

The final question for this item asked how the Council was ensuring middle managers were equipped to deal with performance management. It was advised that workload management was a key issue, with a recent programme 'Stop, Pause, Reprioritise' aimed at managing workloads. There was also an ongoing series of 'tea-talks' with the most recent being focussed on accessibility.

At the conclusion of this item, the Chair thanked the officers for their attendance at the meeting and their engagement with the questions of the Committee.

Conclusions

Having reviewed the report and the information provided at the meeting, the Scrutiny & Overview Committee reached the following conclusions on the People & Cultural Transformation Strategy: Action Plan report: -

1. The Committee had concern about whether the action plan contained enough SMART objectives to enable its delivery to be effectively monitored. Whilst the Committee welcomed confirmation that the action plan would be further refined to this effect, it was noted that Scrutiny and Overview had raised this concern before when it looked at the People Strategy earlier in the year.
2. The Committee commended the ongoing cocreation approach used for the People & Cultural Transformation Strategy and its accompanying action plan.

Recommendation

The Scrutiny & Overview Committee agreed to submit the following recommendation for the consideration of the Mayor: -

1. The Committee recommends that each of the "measures of success" in the People & Cultural Transformation Strategy - Action Plan are re-

evaluated to ensure that they all contain a SMART target that is easy to monitor.

56/23 Scrutiny Annual Report 2022-23

The Committee considered a report set out on pages 121 to 196 of the agenda which presented a draft version of the Scrutiny Annual Report 2022-23 for comment, prior to a final version being submitted to the next Full Council meeting on 11 October 2023 for noting.

It was noted that the report would be updated to include an appendix providing a summary of the recommendations submitted for the consideration of the Executive Mayor during 2022-23.

Resolved: The Scrutiny & Overview Committee agreed to: -

1. Approve the draft version of the Annual Scrutiny Report for submission to Council on 11 October 2023.
2. To note that any amendments made as a result of the comments of the Committee will be agreed by the Scrutiny Chairs, to meet the timeline for delivery to the Council meeting.

57/23 Scrutiny Recommendations

The Committee considered a report set out on pages 197 to 206 of the agenda which presented recommendations proposed by the scrutiny sub-committees for sign-off ahead of submission to the Executive Mayor. It also presented the response of the Mayor to previous recommendations submitted by the Scrutiny & Overview Committee for consideration.

Resolved: The Scrutiny & Overview Committee agreed to: -

1. Approve the recommendations made by its Sub-Committee's for submission to the Executive Mayor for his consideration.
2. Note the response provided by Mayor to recommendations made by the Scrutiny & Overview Committee.

58/23 Scrutiny Work Programme 2023-24

The Committee considered a report set out on pages 207 to 226 of the agenda which presented the most recent version of the work programme for the Scrutiny & Overview Committee and its Sub-Committees.

Resolved: The Scrutiny & Overview Committee agreed to note the most recent version of the Scrutiny Work Programme 2023-24.

59/23 **Exclusion of the Press and Public**

This motion was not required.

The meeting ended at 9.18 pm

Signed:

Date:

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