

# LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>Audit and Governance Committee</b>
<b>DATE OF DECISION</b>	<b>18 July 2024</b>
<b>REPORT TITLE:</b>	<b>Section 24 Statutory Recommendation Report and Productivity Plan</b>
<b>CORPORATE DIRECTOR / DIRECTOR:</b>	<b>Katherine Kerswell, Chief Executive Jane West, Corporate Director of Resources (Section 151 Officer)</b>
<b>LEAD OFFICER:</b>	<b>Jane West, Corporate Director of Resources</b>
<b>LEAD MEMBER:</b>	<b>Councillor Jason Cummings Cabinet Member for Finance</b>
<b>CONTAINS EXEMPT INFORMATION?</b>	<b>No</b>
<b>WARDS AFFECTED:</b>	<b>All</b>

## 1 SUMMARY OF REPORT

1.1 The purpose of this report is to update the Audit and Governance Committee on the Council's response in relation to the Section 24 Statutory Recommendation received from the Council's external auditors, Grant Thornton, in the spring of 2023:

**Demonstrate clearly to Council taxpayers how the additional Council tax for 2023/24 has been properly controlled and demonstrates improvements in value for money arrangements.**

1.2 As well as giving an opinion on the financial statements and assessing the arrangements for securing economy, efficiency and effectiveness in the Council's use of resources, Grant Thornton have additional powers and duties under the Local Audit and Accountability Act 2014. These include powers to issue a public interest report, make written recommendations, apply to the Court for a declaration that an item of account is contrary to law, and to give electors the opportunity to raise questions about the Council's accounts and to raise objections received in relation to the accounts.

1.3 Following the two Public Interest Reports they issued in October 2020 and February 2022 and the Report issued on 18 November 2022 by the Council's Section 151 Officer under s.114 of the Local Government Finance Act 1988, Grant Thornton concluded that it was appropriate to make written recommendations under section 24 of the Act.

- 1.4 Progress against most of the recommendations has been reported to the Audit and Governance Committee via the regular monitoring of the Annual Governance Statement. This particular recommendation required a report to be made to the Committee in June 2024. This report has been slightly delayed due to the Audit and Governance Committee being deferred to July 2024 due to the General Election.
- 1.5 There are two parts to this report:
- The first is the Provisional Outturn report for 2023-24 which, in line with the Statutory Recommendation, demonstrates that the Council managed to balance its budget for the year through tight budget assurance processes. This report is due at Cabinet on 24 July 2024 and will be available from 16 July 2024 on the Council's website.
  - The second part is the draft Productivity Assessment which is attached as Appendix A to this report. The Productivity Assessment is being produced at the request of the previous Local Government Minister, Simon Hoare MP, in a letter to all councils in May 2024. The Productivity Assessment will be presented to the Mayor for sign off and will be submitted by the deadline of 19 July 2024. It demonstrates how the Council has improved productivity during 2023-24, in line with the Statutory Recommendation.

## **2 RECOMMENDATIONS**

The Audit and Governance Committee is recommended:

- 2.1 To note the Council's Provisional Outturn Report for 2023-24 which has delivered a balanced budget through tight budget assurance processes.
- 2.2 To note the Council's Draft Productivity Assessment, to be submitted as requested by the previous Local Government Minister, Simon Hoare MP.
- 2.3 To note that the above demonstrates how the following recommendation of the external auditor has been met: " Demonstrate clearly to Council tax payers how the additional Council tax for 2023/24 has been properly controlled and demonstrates improvements in value for money arrangements."

## **3 REASONS FOR RECOMMENDATIONS**

- 3.1 The Council accepted the recommendations raised in the Section 24 Statutory Recommendations Report in March 2023. This report sets out how the Council has met the requirements of the recommendation: Demonstrate clearly to Council taxpayers how the additional Council tax for 2023/24 has been properly controlled and demonstrates improvements in value for money arrangements.

## **4 BACKGROUND AND DETAILS**

- 4.1 As set out in the Provisional Outturn Report for 2023-24 (to be posted on the Council's website on 16 July) and the Council's Draft Productivity Assessment (attached at Appendix A).
- 4.2 In his letter of 16 April 2024 to all chief executives of local authorities, Simon Hoare MP, the then Minister for Local Government, set out guidance for local authorities to develop their productivity plans.
- 4.3 Authorities were asked to consider the following themes when drafting their plans:
  - 4.3.1 How you have transformed the way you design and deliver services to make better use of resources.
  - 4.3.2 How you plan to take advantage of technology and make better use of data to improve decision making, service design and use of resources.
  - 4.3.3 Your plans to reduce wasteful spend within your organisation and systems.
  - 4.3.4 The barriers preventing progress that the Government can help to reduce or remove.
- 4.4 The plan must have member oversight and endorsement and is to be submitted to the now Ministry of Housing, Local Government and Communities by 19 July 2024 and be published on the Council's website.

## **5 LEGAL IMPLICATIONS**

- 5.1 Pursuant to the requirements of Section 24 and Schedule 7 of the Local Audit and Accountability Act 2014, the Council has considered and accepted the external auditor's Grant Thornton Section 24 Statutory recommendation report dated 20th March 2023. This officer report and its recommendation provides the evidence base to demonstrate how the Council has met the external auditor's recommendation that is the subject of this report. These are matters that falls within the remit of the Audit and Governance Committee to monitor management action in response to issues raised by external audit.

Approved by the Director of Legal Services and Monitoring Officer.

## **6 APPENDICES**

Appendix A – Draft Productivity Assessment